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# THE 1983-84 ECONOMIC REVIEW OF TRAVEL IN AMERICA

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The United States Travel Data Center is the national, non-profit center for travel and tourism research. Since its establishment in 1973, the Data Center has devoted itself to advancing the common interests of the travel industry and the public it serves by encouraging, sponsoring and conducting statistical, economic and scientific research concerning travel, the travel industry and travel-related industries. In pursuit of this objective, the Data Center gathers, analyzes, publishes and disseminates the results of such research, and cooperates with all government agencies, private industry and academic institutions with similar purposes and objectives. The Data Center is financed through publication sales, membership dues and contract research. It is located in Suite 610, 1899 L Street NW, Washington, DC 20036.

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## EXECUTIVE SUMMARY

- U.S. and foreign travelers spent $210 billion in the U.S. during 1983, almost 7 percent more than in 1982.

- Travel spending in America directly generated 4.6 million jobs in 1983, paying nearly $46 billion in wages and salaries and producing over $25 billion in federal, state and local tax revenue.

- If viewed as a single retail industry, the travel and tourism sector is the third largest retail industry in 1983 business receipts, after food stores and automotive dealers.

- The 1983 gain in travel industry sales outpaced the gross national product in both real and dollar terms.

- Travel price inflation fell to an annual growth rate of 4 percent in 1983, the lowest rate in more than a decade.

- Travel industry employment continued to outpace the overall economy during 1983, producing 246 thousand additional jobs for the year.

- Petroleum consumed in traveling away from home in the U.S. fell 3 percent in 1983, and accounted for only 11 percent of U.S. petroleum consumption.

- Foreign visitors to the U.S. totaled 21.7 million in 1983, down one percent from 1982, and their expenditures declined for the second consecutive year.

- U.S. and foreign travelers spend more in the Far West than in any other region, but the South leads in the number of jobs generated by this spending.

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# I. INTRODUCTION

This is the fourth annual report on the role of travel and tourism in the American economy. It is designed to review the economic contributions of travel away from home in 1983, developments in the travel industry, and effects of economic change on travel and tourism.

The information in this report has been gathered from the best objective sources available and analyzed with an eye to clearly portraying the history, prospects, opportunities and challenges of travel and tourism in America. It is published in the spirit of aiding the industry and others in understanding the the public interest in travel and tourism.

A realistic appreciation of travel's strengths and vulnerabilities is a guarantee that travel will contribute as much or more to America's growth and well-being in the years ahead as it has in the past.

## Travel

The subject of this report is travel away from home. Over the years there has been considerable discussion of the appropriate definition of this activity, and a consensus appears to be forming around the one advaned by the National Tourism Resources Review Commission in 1973: trips of 50 one-way miles or more for any purpoe except commuting to and from work.

In practice, few studies have incorporated this definition. It is more common to measure U.S. travel 100 miles or more away from home; or overnight stays away from home; or national, state or local border crossings. The travel activity data discussed in this report reflect these differences but have been chosen to approximate the consensus definition as closely as feasible.

The word, "tourism," is avoided in this report as being a confusing term. While it is often used to denote travel away from home in many parts of the world, in American parlance it connotes travel for pleasure only. When the term does arise herein, it is as a synonym for travel away from home, to emphasize that we are interested in travel away from home, rather than local traffic.

## The Travel Industry

The travel industry has been described as a collection of diverse products sold by a fragmented industry to segmented markets through a complex distribution chain.

It is not concentrated in definite areas of the country nor is it characterized by large plants with towering smokestacks. Instead, it comprises the airline terminal out in the suburbs, the highway motel, the travel agency down the block, and a host of other businesses that do not even recognize their dependence on tourism since visitors are indistinguishable from other customers.

It is not surprising that government officials, business executives and the public have not fairly grasped the scope and significance of travel away from home and the industry that has developed to serve it. Many in the travel industry do not fully comprehend the nature of travel's economic contributions. How much more difficult it is for others, often in position to influence the course of travel and prospects for the industry, to realize the significance of tourism.

Businesses are commonly grouped together into industries by the type of product they produce, such as the U.S. government's Standard Industrial Classification system. Travelers patronize a number of different industries as conventionally defined. They purchase public transportation, gasoline, food, lodging, entertainment, recreation, and countless incidental goods and services. U.S. businesses provide these items to travelers, and to local residents and business firms as well.

For this reason, we cannot define a "travel industry" that excludes receipts from local activity as such. We can, however, develop a spectrum of types of U.S. businesses based upon their relative dependence on traveler expenditures for business receipts. In the U.S., "primary travel-related businesses," those which depend upon travel expenditures for more than one-third of total sales receipts, include intercity bus, rail and air passenger carriers; eating and drinking places; hotels, motels and motor hotels; campgrounds and transient trailer parks; car rental firms; and amusement and recreation services. By charting trends for this group of businesses, we can infer conditions in the "travel industry" as a whole.

Unfortunately, data are not readily available on each of these travel industry sectors. The reader will note that the components making up the travel industry in this report change from chapter to chapter, depending on the statistics available. However, we feel that the data do indicate how the travel industry is faring and how it is contributing to the U.S. economy.

Automobile travel, including that by auto, truck, recreational vehicle, and motorcycle, comprises 60 percent to 80 percent of all travel away from home in this country, depending upon the definition. The type of business that could best represent this transportation activity is gasoline service stations. However, traveler expenditures on auto transportation comprise about 20 percent of total sales of these establishments. Consequently, we decided to exclude gasoline service stations from the travel industry represented in this report. By so doing, we exclude businesses representing a large sector of travel activity but improve our chances that the travel industry measured herein actually represents travel-related business developments.

While some data on travel and the travel industry extend back more than a decade, a large part of the information we have from the federal government of receipts, prices, traffic and employment in travel-related businesses begin more recently. As a result, most of the past perspectives on travel and the industry provided in this report cover the decade from 1973.

While we always clarify which activities and types of businesses are included in this report, the charts and analysis focus on travel and the industry that services it as a whole, rather than in its component parts. Travel away from home is a distinctive human activity, requiring a variety of goods and services. The consumption of these goods and services makes the establishments which provide them necessarily interdependent. People who travel need a mode of transportation, a place to visit, shelter, and food. Oftentimes, they demand entertainment, recreation and other items as well.

In a very real sense, we would not have hotels without transportation, nor would people travel without a place to stay. Similar interdependence among other traveler activities can be easily noted. Consequently, we feel travel and the travel industry is best viewed in its entirety and attempt to emphasize this perspective.

A traveler's purchase from a retail business begins a productive economic process that stretches through wholesale, manufacturing, extractive, transportation and service firms. There are indications that the indirect impact of such a purchase can dwarf the direct impact on the travel-serving retail business.

However, this review concentrates on the direct impact of travel and tourism on the U.S. economy. This is not to say that the indirect impact is unworthy of review but that the data here are not nearly as well developed. It is hoped that future editions of this review can include sound estimates of the "multiplier" impact of travel expenditures in the U.S. as well as the direct effects.

## Organization of the Report

This review is organized in eight chapters. Recent developments in travel activity along with current industry trends placed in the perspective of the last decade are discussed in Chapter II. Chapter III presents a discussion of travel price inflation. Chapter IV focuses on the unique ability of the industry to create jobs.

Chapter V highlights the dependence of travel on petroleum fuel supplies and emphasizes the relatively small share of energy consumption attributable to the activity.

Chapter VI presents a discussion of international travel trends and their effect on the U.S., while Chapter VII surveys regional trends in travel.

Chapter VIII provides a summary of travel and the economy.

The appendices provide background information essential to the report. Appendix A presents the base data used for calculating the charts included in the previous chapters. Appendix B is a list of sources used in the preparation of the review.

Note: Detail numbers in tables may not add to totals due to rounding.

## II. TRAVEL ACTIVITY AND INDUSTRY TRENDS

Nineteen eighty-three was a year of recovery for the U.S. economy after an eighteen-month recession notable for its high unemployment rates and devastating impact on traditional manufacturing industries. The business and consumer sectors strengthened as output and income rose while price inflation remained moderate.

Table II-1 shows the course of a number of major economic variables that affect travel away from home in America. It is clear that the economy recovered smartly in 1983 from the short but severe 1981-82 recession.

Table II-1: Overall U.S. Economic Developments, 1982-84 projected (percent change from previous year)

| | Projected 1984 | 1983 | 1982 |
|---|---|---|---|
| Dollar GNP | 11.0% | 7.7% | 4.0% |
| Real GNP | 7.0 | 3.4 | - 1.9 |
| Personal income | 9.0 | 6.3 | 5.9 |
| Corp. profits after tax | 18.0 | 13.5 | -20.1 |
| Consumer price index | 5.0 | 3.2 | 6.1 |
| Payroll employment | 4.0 | 0.6 | - 1.7 |

Source: U.S. Travel Data Center, Council of Economic Advisers

The relatively modest increase in employment masks the remarkable decline in the unemployment rate (from 10.7 percent to 8.2 percent by year's end) as labor force growth was weaker than expected. Also unexpected for this stage in a recovery was the modest rate of price inflation: the lowest in 16 years.

Travel prices emulated the overall consumer price trend and their rate of increase dropped dramatically. This allowed consumers to travel as much as in the previous year but pay only 3.4 percent more than in 1982.

The 1984 economic recovery is considerably stronger than most anticipated. For the first half of the year, real GNP was up nearly eight percent from 1983. Total U.S. employment increased five percent over the previous year, the largest increase in six years.

However, there are signs that travel is not responding as rapidly to the rate of economic recovery as other sectors. The number of person-trips recorded for the first half of 1984 was down four percent from the previous year (a person-trip is one U.S. resident on a trip to a place 100 miles or more away from home). Nights away from home remained unchanged from the earlier period, according to the Data Center's National Travel Survey.

We could expect that a portion of the additional personal and business income generated by the economic recovery would be directed to financing increased pleasure and business travel. However, this does not appear to be the case as yet in this recovery. Domestic travel industry receipts appear to be growing more slowly than overall GNP.

U.S. consumers have allocated increasing portions of their additonal recovery-produced dollars to purchasing automobiles and major household items long-postponed by the previous recessions. In 1983, retail sales of these items stood $100 billion above 1982 levels. These were dollars that would have financed increasing leisure travel in more normal economic recoveries.

In addition, the state of foreign exchange markets has encouraged more U.S. travel to foreign destinations while restraining foreign travel to our shores. Consequently, the boost from foreign visitors that domestic travel businesses have enjoyed in earlier years has turned into a drag.

The result is a domestic travel market growing more slowly than the overall economy. Various economic forecasters predict that the consumer durables buying spree will soon end. If so, then travel should receive a long-delayed boost.

## Travel Activity

Despite the accelerating economic recovery that characterized the year, travel continued to decline in 1983. as indicated in Table II-2, U.S. travel away from home as measured by the Data Center's National Travel Survey in "person-trips" (one person on a trip to a place 100 miles or more away from home) declined for the second year in a row. However, this was a considerable improvement from the seven-percent overall decline posted in 1982. The 1983 person-trip total still exceeded the one billion mark despite the decline.

Table II-2: U.S. Travel Away from Home for Selected Trip Purposes, 1982-83 (millions of person-trips)

| Purpose | 1983 | 1982 | Percent change |
|---|---|---|---|
| All travel | 1,058 | 1,069 | - 1.0% |
| Vacation travel | 642 | 660 | - 2.7 |
| Business/convention travel | 146 | 152 | - 3.9 |

Source: U.S. Travel Data Center

Business and convention travel declined at a greater rate than vacation travel. This drop appeared concentrated in the highway modes of transportation which account for nearly 60 percent of all business/convention person-trips. These trips by air increased significantly for the year.

Travel measured in nights away from home increased fourteen percent, a marked contrast to the nine-percent decline in 1982 (Table II-3). Americans reduced the number of weekend and other two-to-three night trips while maintaining their level of trips of longer durations. As a result, the average trip duration rose from 4.5 nights in 1982 to 5.2 nights in 1983.

Table II-3: U.S. Travel Away from Home for Selected Trip Purposes, 1982-83 (millions of person-nights)

| Purpose | 1983 | 1982 | Percent change |
|---|---|---|---|
| All travel | 5,501 | 4,811 | 14.3% |
| Vacation travel | 3,982 | 3,518 | 13.1 |
| Business/convention travel | 586 | 624 | - 6.1 |

Source: U.S. Travel Data Center

Vacation nights away from home also expanded significantly, as a reduction in the number of shorter trips accounted for the decline in person-trips. Business/convention nights away from home, however, fell six percent after rising 12 percent in 1982.

## Travel Spending

U.S. residents spent $213 billion traveling away from home during 1983, up nearly eight percent from the previous year (Table II-4). This travel spending averaged $900 per resident, and more than $400 thousand a minute. Americans spent more on travel in 1983 than they did on clothing, accessories, jewelry and personal care, or household utilities including telephone service.

Table II-4: U.S. Travel Expenditures, 1982-83
($ billions)

| Purpose | 1983 | 1982 | Percent change |
|---|---|---|---|
| On domestic travel | $199 | $185 | 7.3% |
| On foreign travel | 14 | 12 | 12.8 |
| Total | $213 | $198 | 7.6% |

Source: U.S. Travel Data Center, U.S. Department of Commerce; preliminary

U.S. spending on domestic travel increased somewhat faster than its rate of growth since 1978. Travel spending in foreign countries, however, grew faster in 1983 than in any year since 1978. The unusually favorable exchange rates Americans enjoyed vis-a-vis major foreign currencies stimulated travel abroad in 1983 to an unusual degree.

Overall, U.S. travel spending increased nearly eight percent in 1983, about the same rate as total spending on all goods and services (GNP).

The economic benefits of travel for residents of the U.S. are better suggested by travel spending in this country rather than by what Americans are spending here and abroad. American and foreign travelers in the U.S. spent $210 billion in 1983, up more than seven percent from the previous year (Table II-5). This spending accounted for 6.4 percent of our gross natinoal product for the year.

Table II-5: Travel Expenditures in the U.S., 1982-83 ($ billions)

| Source | 1983 | 1982 | Percent change |
|---|---|---|---|
| U.S. residents | $199 | $185 | 7.3% |
| Foreign visitors | 11 | 12 | -0.9% |
| Total | $210 | $197 | 6.8% |

Source: U.S. Travel Data Center, U.S. Department of Commerce; preliminary

Foreign visitor spending in the U.S. fell for the second year in a row, and stood twelve percent below its 1981 high. Despite the economic recovery evident in most nations, the dollar's continued strength in foreign currency markets priced travel to the U.S. beyond the means of many international travelers.

Foreign visitor expenditures accounted for only five percent of total travel spending in the U.S. during the year. Consequently, the 7.3 percent growth in U.S. domestic travel spending swamped the decline from foreign visitors.

It is difficult to compare the volume of travel industry sales to that of other industries. One reason is that the U.S. Census Bureau does not publish annual sales data for all industries. Another is that retail industries cannot be fairly compared with wholesale, manufacturing or extractive industries since retail sales include the value of output of the latter businesses. Consequently, the retail sales of a product will always exceed the value of the product's manufacture.

Finally, what is published as receipts for some sectors such as health services includes substantial government payments in the form of subsidies and administrative payments. Government directly determines the size of such industries, rather than consumer or business demand.

The Census Bureau does publish consistent annual sales estimates for a number of retail and service industries. In Table II-6, these estimates are listed for the top five such industries in 1983. The $210 billion spent on travel and tourism in the U.S. generated $202 billion in sales once retail sales taxes are removed.

Table II-6: Travel Business Receipts in the U.S. Compared to Major Retail and Service Industry Receipts, 1983 ($ billions)

| Industry | Sales |
|---|---|
| Food stores | $259 |
| Automotive dealers | 222 |
| Travel and tourism | 202 |
| General merchandise stores | 143 |
| Health services ex. hospitals | 116 |

Source: U.S. Travel Data Center, U.S. Bureau of the Census

After two years as the second largest service or retail industry in America, the travel industry was displaced in 1983 by automotive dealers with their 21-percent increase in sales.

In terms of employment, travel directly generates more jobs than any other U.S. industry except health services (doctors, nurses, hospitals, laboratories, etc.). Travel directly supported more jobs than the combined total employment in 14 states during 1983. The wage and salary income paid to these employees surpasses that of the nation's steel and motor vehicle manufacturing industries combined.

## Travel's Economic Impact

Travelers purchase goods and services, providing retail businesses with sales receipts. These receipts are used by proprietors to purchase the goods and services needed to serve the traveler. Labor, of course, is a major service travel-related businesses purchase. During the process, tax revenue is generated for federal, state and local governments.

Table II-7 indicates the national economic contribution of the $210 billion spent on travel in 1983 in terms of wage and salary (payroll) income, employment and tax revenue.

Table II-7: Measures of Travel's Economic Contribution, 1983

| | |
|---|---|
| Expenditures in U.S. | $ 210 billion |
| Payroll income generated | $45.8 billion |
| Employment generated | 4.6 million jobs |
| Federal tax revenue generated | $13.8 billion |
| State tax revenue generated | $ 8.7 billion |
| Local tax revenue generated | $ 2.8 billion |

Source: U.S. Travel Data Center; preliminary

Travel spending directly generated 2.8 percent of total U.S. wage and salary disbursements during the year, and 5.1 percent of U.S. nonagricultural payroll employment. This spending also contributed six percent of the combined tax revenue of federal, state and local governments for 1983.

During 1983, each dollar of travel spending in the U.S. generated 22 cents in payroll income, and 12 cents in tax revenue. Each $45,300 spent by travelers directly supported one job. Were the income and employment generated indirectly by travel spending measured, travel's contribution to the U.S. economy would be considerably larger.

Travel expenditures touch a multitude of different types of businesses in the U.S. This variety and the predominantly small-business nature of these businesses can obscure the considerable benefits that accrue to U.S. residents in receipts, jobs and income. It is our hope that this report clarifies the important role that travel and the travel industry play in the American economy.

## Travel Industry Receipts

Travel expenditures in the U.S. generate receipts for at least 15 different types of businesses. For some of these businesses, such as Amtrak and hotels/motels, travel expenditures account for large majorities of receipts. For others, such as general merchandise stores and gasoline service stations, receipts from travelers account for less than one-fifth of the total.

In order to survey the course of the travel industry over the years, the sales of six types of businesses are aggregated and analyzed here. These businesses are distinguished by all owing at least one-third of their receipts to travel expenditures and by reliable time series data available from the U.S. Bureau of the Census and other national authorities.

By focussing on the changes in these aggregate receipts, we can obtain a fair picture of the U.S. travel industry relative to the overall economy over time. However, the absolute values of the aggregate industry receipts discussed here tell us nothing in themselves about the size of the travel industry because the total includes revenue from non-travelers and excludes important sectors of the travel industry for which annual sales data are lacking.

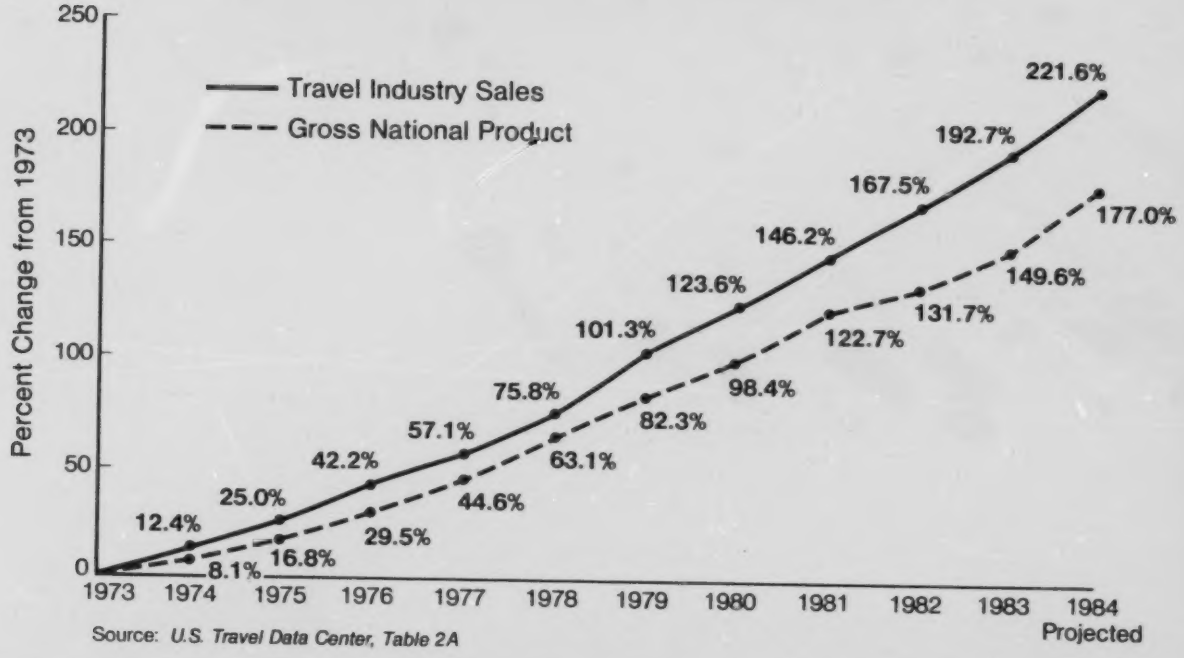
U.S. travel industry receipts have grown 193 percent over the last ten years, one-quarter faster than GNP (Figure 2A). This indicates the travel industry has grown faster than the overall economy during the decade.

Travel industry receipts in 1983 increased 9.4 percent, somewhat slower than the 11.1 percent long-term growth rate for this series (Figure 2B). The year was an improvement over the 1982 recession, and 1984 should wind up with another increase in rate of growth.

For seven out of the past ten years, travel industry sales have increased faster than GNP. This includes the recession years of 1974-75, 1980, and 1983. However, sales appear to be trailing overall economy in the expansion year of 1984. The travel industry performs better than most other sectors during economic downturns, and therefore posts smaller "rebounds" in recovery.

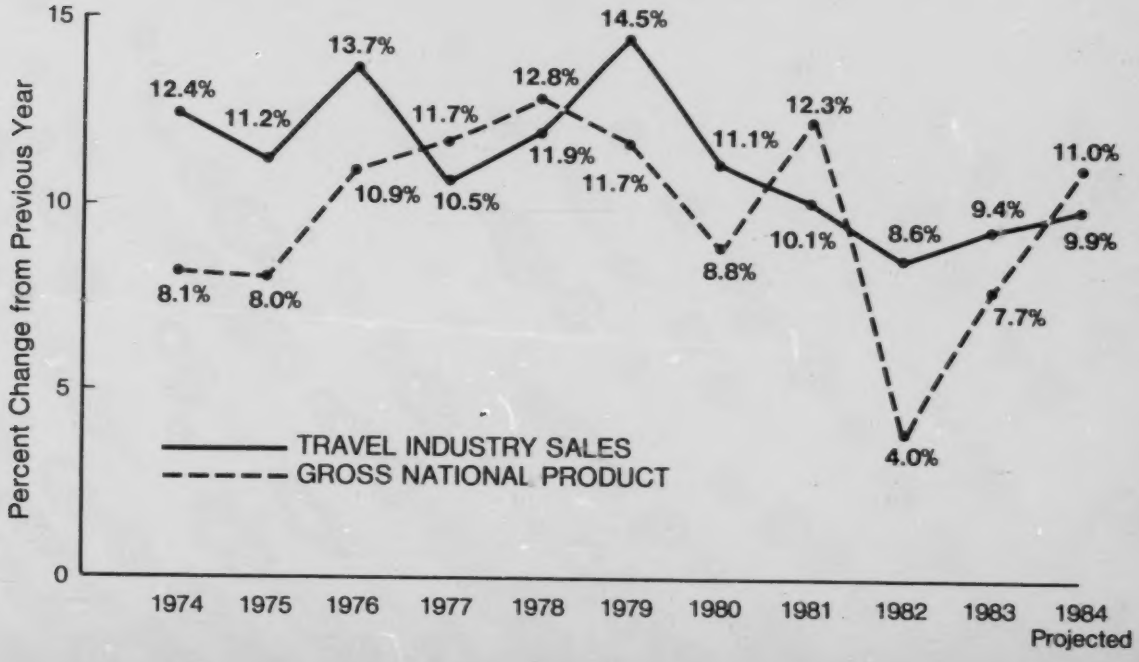
Growth in travel activity produces increased real demand for travel goods and services. But rising travel prices obscure how much of industry sales growth is real and how much is due merely to price inflation. To arrive at a measure of real travel industry growth, we have to correct for changes in prices.

## FIGURE 2A
## TRAVEL SALES HAVE OUTPACED GNP SINCE 1973




Source: *U.S. Travel Data Center, Table 2A*

## FIGURE 2B
## 1983 TRAVEL SALES GAIN EXCEEDED GNP RISE AGAIN




Source: *U.S. Travel Data Center, Table 2A*

In Figure 2C, travel industry sales in current dollars have been deflated to represent real output, and the growth since 1973 in industry and overall output have been charted. Real output for the travel industry has grown by more than one-third since 1973, while real GNP has increased less than one-quarter.

Real travel industry sales have increased at a compound rate of 3.6 percent a year over this decade, considerably higher than real GNP's 2.7 percent. But as Figure 2D indicates, the industry's record compared to the nation's total output of goods and services has varied over the years.

In six of these ten years, travel industry output has grown faster than real GNP. The industry produced counter-recessionary growth in the recession years of 1974-75 and 1982. However, travel industry output actually declined in real terms in the recession year of 1980, and declined faster than GNP. Nineteen eighty was the peak year for travel price inflation, fueled by soaring petroleum prices. This depressed travel activity substantially more than other sectors of the economy.

The lesson appears to be that, when not depressed by petroleum shortages and superinflation, travel industry output is counterrecessionary. The industry tends to grow faster than the overall economy during economic downturns. In expansionary periods, the industry appears to contribute as much on balance as other sectors to overall economic growth. But over the long-term, the travel industry grows faster than the nation's real GNP.

In the recovery year of 1983, travel output again outpaced the economy's total. However, 1984 is projected as a year when other industries' recovery from severe declines in the 1981-82 recession outpace the travel industry's continued rise.

## Travel Transport Activity

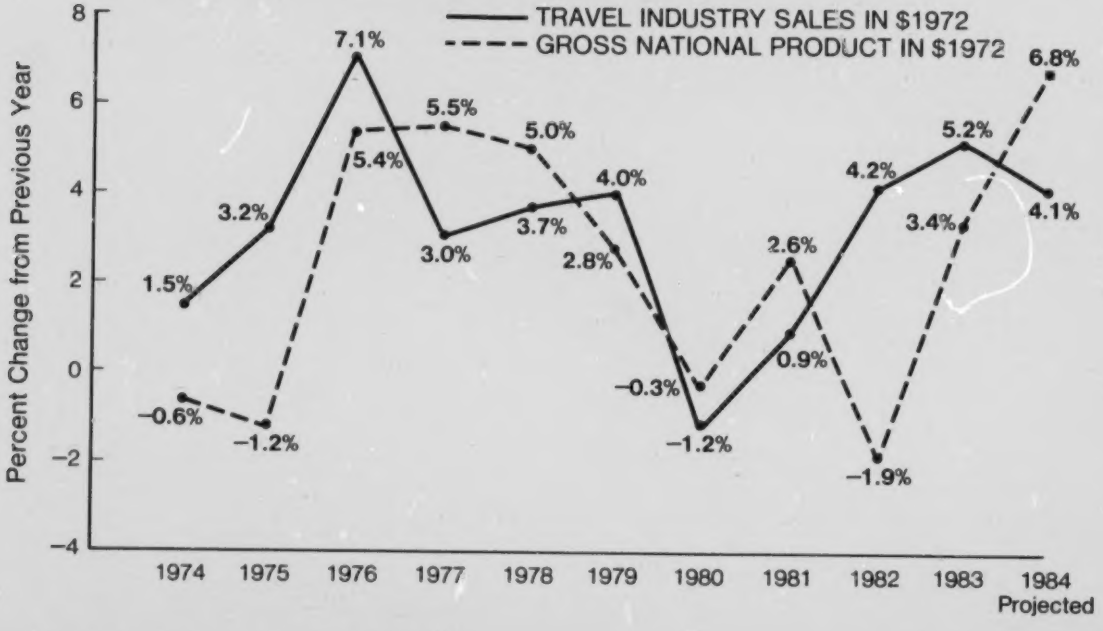
Americans traveled over 1.2 trillion passenger-miles on trips away from home on the nation's highways, railways and skyways during 1983. This is equivalent to a round-trip between New York and Los Angeles for every U. S. resident.

Since 1973, common carrier travel, dominated by the nation's airlines, has grown at a compound rate of five percent annually, nearly three times as fast as personal motor vehicle travel away from home (including automobiles, trucks and recreational vehicles). Air passenger-miles increased nearly six percent a year over the past decade, while rail travel grew a scant 1.2 percent annually and bus travel at the end of the period was no higher than at the beginning.

## FIGURE 2C
## TRAVEL INDUSTRY HAS OUTSTRIPPED GNP IN REAL GROWTH SINCE 1973

Source: *U.S. Travel Data Center, Table 2B.*

## FIGURE 2D
## REAL TRAVEL SALES GROWTH EXCEEDED GNP IN 1983



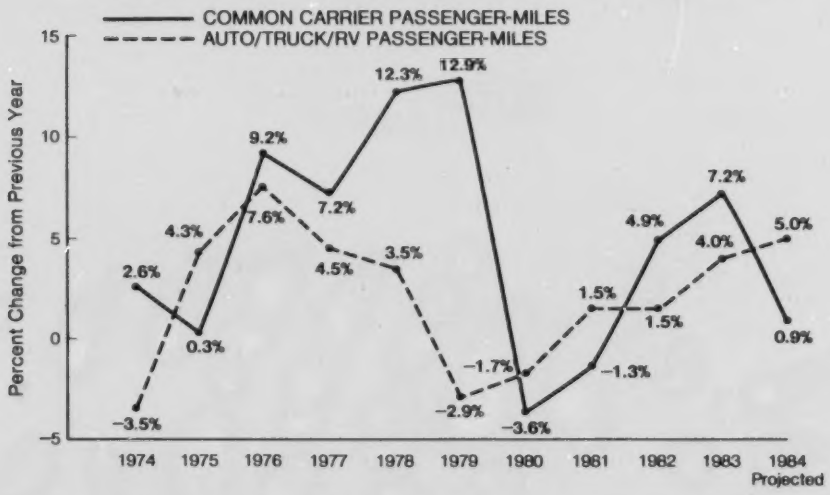

Source: *U.S. Travel Data Center, Table 2B.*

Personal motor vehicle travel is particularly sensitive to gasoline shortages (1979) and rapid price inflation (1974, 1980) as indicated by the declines in Figure 2E. After four years of declines or sluggish growth, this travel increased four percent in 1983, considerably above the long-term growth rate of 1.8 percent annually. A larger rise is expected in 1984 as the economy continues to improve, gasoline prices remain stable, and the average fuel efficiency of vehicles on the road continues to improve.

Common carrier share of total domestic passenger-miles away from home has increased in each of the last two years (Figure 2F). At nearly 22 percent of the total, common carriers showed a larger share in 1983 than at any time in the past decade.

Gasoline shortages and extraordinary gasoline price inflation during the 1970's dissuaded many Americans from traveling by personal motor vehicle and directed them to common carriers instead. This move was encouraged by the relatively low rate of airline fare inflation in the deregulated environment. In 1984, however, airfares and other public transportation prices are expected to increase faster than gasoline prices, producing a scant rise in common carrier traffic and a drop in its share of the total.

**FIGURE 2E**
**COMMON CARRIER TRAVEL OUTPACED AUTO TRAVEL IN 1983**




Source: *U.S. Travel Data Center, Table 2C.*

**FIGURE 2F**
**COMMON CARRIER SHARE OF TRAVEL INCREASED IN 1983**

Source: *U.S. Travel Data Center, Table 2C.*

## The Travel Agency Distribution System

Travel agencies make travel reservations for the public and sell transportation, lodging and other travel services on behalf of the providers of these services. They are retailers in that they sell travel services provided by others directly to the final customer.

This segment of the travel industry has shown the most remarkable growth in recent years. Travel agency locations appointed by the nation's scheduled airlines to sell tickets now number more than twenty-three thousand, an increase of 175 percent over 1977, the earliest year for which we have comparable data. Employment in these agencies now exceeds 150 thousand workers.

Total travel sales to the public by U.S. travel agencies are estimated by periodic Travel Weekly/Louis Harris studies to be $43.7 billion in 1983, or one-fifth of all U.S. travel expenditures. Agents actually book only eleven percent of all trips Americans take, so the dollar value of the trips booked must be nearly twice as much as expenditures on the average U.S. trip.

Airline ticket sales through travel agencies now comprise more than 70 percent of total U.S. airline passenger revenue. Figure 2G shows the relative growth in air sales through travel agencies and total airline passenger receipts. Since 1977, travel agency sales have grown at a compound rate of over 18 percent a year, one-third faster than airline sales.

U.S. travel agents play a major role in the distribution of travel services to the public. Agency performance in recent years suggests the share of total travel expenditures through travel agencies will continue to grow, unless this distribution system is substantially changed by current proposals to modify existing relationships among travel agents, the nation's airlines and the public.

**FIGURE 2G**
**TRAVEL AGENCY SALES OUTPACE AIRLINE RECEIPTS**

Source: *Travel Data Center, Table 2G*

## Conclusion

As this chapter suggests, the U.S. travel industry is a substantial and dynamic segment of the American economy. Much of this must be attributed to the predominantly small business character of the industry.

The most recent data available (Appendix Table 2E) indicate that 99 percent of the one-half million firms in the travel industry are classified as small businesses by the U.S. Small Business Administration.

This has been a major strength of the travel industry. Indivduals are offered ample opportunities to establish their own enterprises and offer distinctive services for the traveling public. A small business environment tends to be strongly competitive, encouraging good service and fair prices. Moreover, it expands consumer choice, making for a better life for the American public and foreign international travelers as well.

However, small businesses can be limited by their lack of financial resources and vulnerability to unfair government energy, tax and regulatory policies. For example, they do not have the advertising budgets necessary to tap lucrative foreign visitor markets. And their funds for lobbying against unfavorable public policies are often inadequate to the task.

Public officials should recognize that policies that assist the travel industry encourage small business development in America. On the other hand, decisions that retard the growth of travel and the industry that serves it fall most heavily on those businesses least able to survive them.

## III. TRAVEL PRICE INFLATION

Travel price inflation can be a serious obstacle to the growth of travel and tourism in America. If the costs of travel goods and services rise faster than other items consumers buy, some will switch their discretionary dollars to purchasing other leisure activities. If the costs of travel rise more rapidly than personal income, households will cut back on real travel activity, especially if all consumer prices are rising rapidly as well.

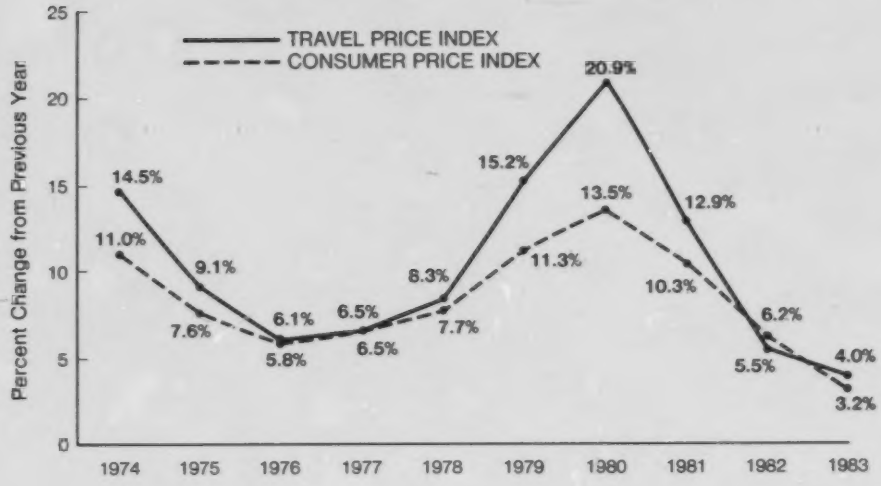
Similarly, businesses will adjust to accelerating travel price inflation by substituting other activities for business trips, linking trips to reduce expenditures, or eliminating programs requiring travel. The spread of new telecommunications technologies offers managers increasing alternatives to the business trip that look more appealing as prices rise.

Since 1973, travel price inflation has been closely related to petroleum costs. Over the last decade petroleum prices quadrupled, causing travel service costs to soar. Fortunately these oil prices have fallen in recent years, moderating travel inflation.

Travel price inflation has decreased significantly from its peak rate of 20.9% in 1980 and in 1983 fell to an annual growth rate of four percent, only 0.8% above overall consumer price index (CPI) growth (Figure 3A). Historically, the CPI has grown slower than the travel price index, but in 1982 travel price inflation fell below overall consumer price growth for the first time in more than ten years. With travel price inflation down to its lowest level in more than a decade and the economy recovering, travel is becoming more affordable for businesses and consumers.

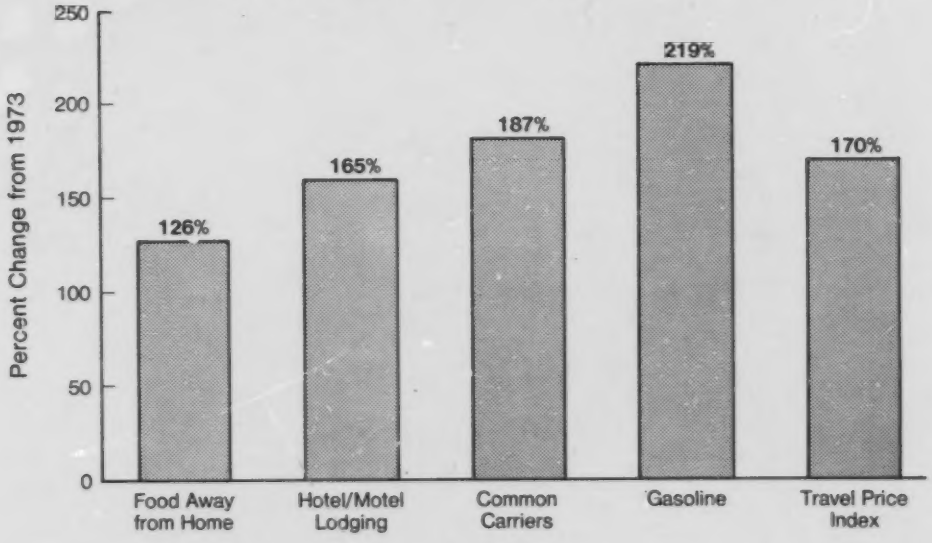
The travel price index measures the change in the cost of travel away from home in the U.S. based on the U.S. Department of Labor consumer price data. The components of the travel price index are shown in Figure 3B. Common carrier (airline, intercity bus, and intercity rail) fares have risen almost as fast as gasoline in the last ten years, reflecting their sensitivity to petroleum costs. Although fare increases in the early 1980's were high, they have leveled off recently due to declining petroleum prices. This has encouraged the current recovery that the travel industry is experiencing.

## FIGURE 3A
## TRAVEL PRICE INFLATION DECLINED IN 1983




Source: *U.S. Travel Data Center, Table 3A.*

## FIGURE 3B
## GASOLINE HAS LED TRAVEL PRICE SURGE SINCE 1973




SOURCE: *U.S. TRAVEL DATA CENTER, TABLE 3A.*

A comparison of travel price inflation over the last decade, the last year, and projected 1984 are shown in Table III-1. A major feature of the travel price index is falling gasoline prices, down three percent in 1983. After posting double-digit increases for five years, lodging price inflation dropped to five percent in 1983 in response to increased room capacity and competition. Amtrak's fare increases are slowing down, making trains a more competitive mode of travel. Airline fares are also stabilizing, encouraging increased passenger demand. As a consequence, airlines have posted their largest profits since industry deregulation in 1979.

Table III-1: Travel price Inflation, 1973-1984 projected. (annual compound percent change)

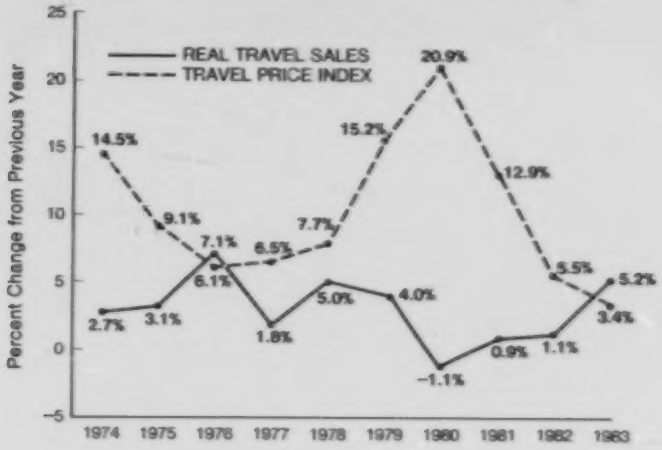
| Component | 1973-1983 | 1983 | Projected 1984 |
|---|---|---|---|
| Food | 9% | 4% | 4% |
| Lodging | 10 | 5 | 8 |
| Gasoline | 12 | -3 | -1 |
| Intercity rail | 11 | 6 | 6 |
| Airline fares | 12 | 6 | 6 |
| Intercity bus | 10 | 9 | 8 |
| Entertainment | 6 | 6 | 5 |
| Incidentals | 7 | 3 | 2 |
| Travel Price Index | 10% | 4% | 5% |

Source: U.S. Travel Data Center, based on U.S. Bureau of Labor Statistics data.

While travel prices are rising only four percent and the CPI 3.2%, personal income is increasing at a six percent annual rate. This provides a two percent rise in consumer income available for spending. With more real income available, consumers can travel more.

Real travel sales and the travel price index are usually inversely related, with high sales growth rates in periods of low inflation (Figure 3C). This indicates that businesses and consumers are responsive to price fluctuations and that they will seek to use substitutes such as telecommunications and local recreation in periods of rapidly rising travel prices.

**FIGURE 3C**
**REDUCED INFLATION ENCOURAGES TRAVEL DEMAND**




Source: U.S. Travel Data Center, Tables 28, 34.

In 1980, high travel price inflation and a decline in real travel sales indicated that the public significantly reduced travel demand in a period of double-digit inflation. In 1983, real sales grew faster than travel price inflation for only the second time in the last decade.

As long as petroleum prices remain under control, travel price inflation will remain moderate. Consumers and businesses will then have the resources to increase travel activity. The outlook for 1984 looks promising providing there are no unfavorable changes in tax, minimum wage, and regulatory policies.

The travel industry can also shape and encourage markets through responsible pricing. Efforts to control costs and use more efficient equipment can promote the growth of real travel activity. The future belongs to those businesses that provide the best price-value relationships.

## IV. TRAVEL AND EMPLOYMENT

Travel and tourism in America directly generated more than 4.6 million jobs in 1983, 5.1 percent of total nonagricultural payroll employment in the U.S. This ranks travel and tourism as a leading private employer, second only to health services. It is surprising but true that employment generated to travel in the U.S. exceeds the populations of 56 countries.

Travel activity in the U.S. has continually demonstrated the ability to create new jobs faster than the rest of the economy, to provide a disproportionate number of jobs for the traditionally disadvantaged, and to produce new employment opportunities during economic recessions.

### Travel Creates New Jobs Rapidly

The travel industry continually outperforms the overall economy in creating new jobs. Since 1958, the earliest year for which appropriate data are available, payroll jobs in travel-related businesses have increased 197 percent, more than two and one-half times as fast as the overall economy.

The travel industry has contributed to job growth far in excess of its size. Just in the last decade travel industry employment has increased by more than half, compared to a 17-percent increase for all industries (Figure 4A). The 2.6 million new jobs provided by the industry since 1973 comprise twenty percent of the national increase in employment. Yet the travel industry collectively accounts for eight percent of total U.S. employment.

### Travel Provides Jobs for the Disadvantaged

Minority groups, women and youth have traditionally found it more difficult than other Americans to find jobs. The travel industry has proved itself to be an abundant source of jobs for these groups.

**FIGURE 4A**
**TRAVEL INDUSTRY EMPLOYMENT HAS GROWN FASTER THAN TOTAL U.S. EMPLOYMENT**

Source: *U.S. Travel Data Center, Table 4A.*

For the first time, the U.S. Department of Labor has published industry employment data distinguishing industry employment for blacks and Hispanic-Americans for 1983 rather than aggregating them together with other minority groups. Table IV-1 presents these figures, along with those for female employees.

Table IV-1: Black, Hispanic and Female Share of Employment, 1983

| Group | Employment share of the travel industry | Employment share of all U.S. industries |
|---|---|---|
| Blacks | 9.2% | 9.3% |
| Hispanic | 6.4 | 5.3 |
| Women | 53.0 | 43.7 |

Source: U.S. Travel Data Center, U. S. Department of Labor; includes air transportation, eating and drinking places, hotels and motels, and amusement and recreation services.

Black Americans are employed in the travel industry proportionate to their representation in all industries in 1983. Travel is as effective in offering job opportunities for this group as the overall economy. However, the travel industry does offer a disproportionate number of jobs for Hispanic-Americans and women. In each case, travel shows shares of employment one-fifth higher than all U.S. industries.

Annual estimates are not available on youth employment by industry. However, data recently published from the 1980 Census of Population indicate those aged 16 to 24 years account for nearly 42 percent of employment in travel industry firms, compared to only twenty percent of total employment in the U.S. It appears it is twice as easy for youths to find jobs in travel as in the average U.S. industry.

In 1983, the travel industry provided 686 thousand jobs for blacks, 477 thousand jobs for Hispanic-Americans, and nearly four million jobs for women. It appears likely that the industry also employed about 2.8 million youths as well that year. Travel and tourism can be counted on to offer job opportunites for those who find it most difficult to find employment.

## Travel Employment Grows in Good Times and Bad

Employment in the travel industry has risen in every year since 1958 despite five economic recessions (Table 4a). This enviable record is not duplicated by the rest of the economy. Total U.S. payroll employment has declined for three out of the last 25 years.

During the last decade alone, total U.S employment fell in two years (Figure 4A). Over this period, travel industry employment grew fifty-five percent, three times the growth rate for all jobs in our economy. It is clear that travel has offered better job security and more rapidly expanding opportunities than other sectors of the economy.

## Travel Creates Jobs in Recessions

Travel industry employment has increased through the last five economic recessions, including the most recent. The 1981-82 recession was one of the worst in the postwar period in terms of job loss and unemployment. The recession began in July 1981 and by December, U.S. payroll employment had declined below the previous year (Figure 4C).

By the recession's end in November 1982, total U.S. employment was 2.4 million jobs below the comparable month one year earlier. Travel industry employment, however, was 72 thousand jobs higher than the previous November. Indeed, travel industry employment continued to grow throughout the recessionary period.

The travel industry can point to similar experiences during earlier recessions: while employment in other sectors declines, travel industry employment continues to expand. Travel appears to be a counter-recessionary force in our economy, helping to offset employment losses in other industries and moderating the recession's damaging effects on jobs and income.

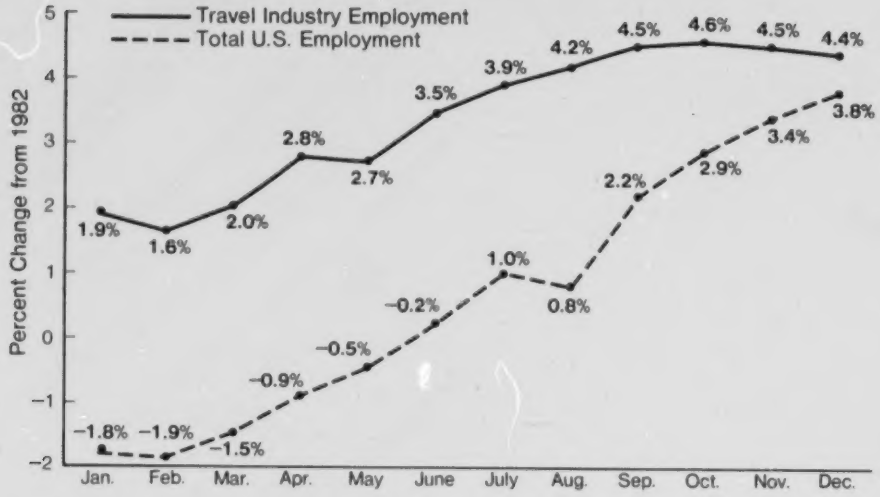
The recession ended in November 1982. However, for several months into 1983 total U.S. employment continued to decline (Figure 4B). Travel industry employment, on the other hand, rose month after month, producing healthy increases throughout the year.

For 1983 as a whole, travel industry employment increased by 246 thousand jobs, 43 percent of the additional jobs created in the entire U.S. economy. Travel industry employment accounted for 8.3 percent of total U.S. employment in 1983, up from 6.3 percent a decade earlier.

**FIGURE 4B**
**TRAVEL INDUSTRY EMPLOYMENT**
**GREW THROUGHOUT THE 1981-82 RECESSION**

Source: *U.S. Travel Data Center, Table 4B.*

## FIGURE 4C
## TRAVEL INDUSTRY EXCELLED IN NEW JOBS IN 1983




Source: *U.S. Travel Data Center, Table 4B.*

## Conclusion

Travel activity in America generates a substantial amount of the nation's employment. Over the long-term, the travel industry has created new jobs more than twice as fast as the overall economy. The industry is an abundant source of job opportunities for minorities, women and youth, groups traditionally disadvantaged in the nation's labor markets.

The travel industry proved again to be a significant counter-recessionary force in the 1981-82 economic decline as it had in the previous four recessions. And during the recovery year of 1983, the travel industry provided nearly one-half of the net increase in total U.S. employment.

Providing plentiful job opportunities for all its residents has long been the nation's top economic priority. The travel industry stands out among U.S. industries in progress toward this goal. Public policies conducive to long-term economic growth, price stability, fair international trade, and unrestricted energy supplies can insure that the travel industry will continue to build upon its considerable past achievements.

## V. TRAVEL AND ENERGY

Transportation is indispensable to travel and tourism, and American transportation is 97% dependent on petroleum fuels for its energy needs. It is no exageration to say our nation's transportation system and travel industry would cease to exist without petroleum.

Total transportation activity in the U.S. required over three billion barrels of oil in 1983, 61% of all oil products consumed in the U.S. Consequently, in times of energy shortages it is reasonable to expect the transportation sector will be asked to bear a major share of the conservation burden.

Fortunately, travel away from home annually consumes a relatively small share of U.S. oil supplies. In 1983, travel away from home accounted for only 11 percent of U.S. petroleum consumption (Figure 5A). Auto travel including trucks, RV's, and motorcycles was the major user, consuming 342 million of the 586 million barrels. Almost all of the remainder was consumed in air travel (commercial carriers and general aviation).

Auto travel away from home, including recreational vehicles, consumed 25 million fewer barrels in 1983 than the previous year, despite a 36 million rise in passenger-miles. More energy-efficient vehicles are contributing to reduced petroleum demand even though travel away from home is growing.

Moreover, the travel sector is a leading force for energy conservation. Consumption of petroleum in all tourism transportation was down three percent in 1983, three times the overall rate of decline in total U.S. petroleum demand.

Travel and tourism transportation comprised only 4.4% of the nation's total domestic energy demand in 1983 (Figure 5B). This is considerably less than other sectors, yet it supports a substantial amount of economic activity. For each barrel of petroleum consumed in travel and tourism during 1983 the result was $358 in travel spending. For every job directly attributable to travel and tourism only 15 gallons of petroleum a day were consumed by travelers in the U.S.

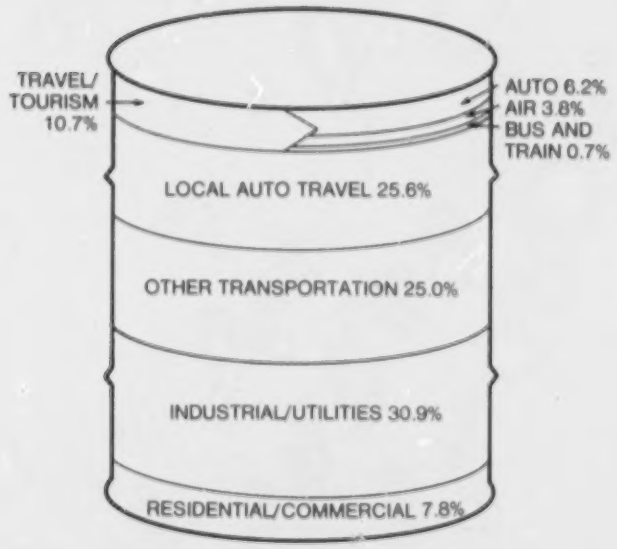
It is clear that travel and tourism is significantly contributing to energy conservation. With further development and use of more efficient transport equipment, travel and tourism's energy consumption should continue to decline in the future. For example, while intercity passenger-miles increased

nearly five percent in 1983, total petroleum consumed by this activity decreased by more than three percent.

Unfortunately, the U.S. is starting to become more dependent on imports for its energy needs. In 1983, petroleum imports accounted for 28.3 percent of total U.S. petroleum products supplied, the first annual increase since 1979. This makes our nation more sensitive to foreign pricing and production, a development we can ill afford. Moreover, this contributes to a growing international trade deficit. Fortunately, the travel industry is not the problem but part of the solution, combatting foreign energy dependence with more fuel efficient transport equipment.

In short, travel and tourism requires a small amount of energy to make large contributions to our economic welfare and quality of life. In times of petroleum shortage, little can be saved by drastically curtailing travel away from home. Rather, Americans could reduce commuting, shopping and other local uses of personal motor vehicles by one-third and save as much as total elimination of travel and tourism would.

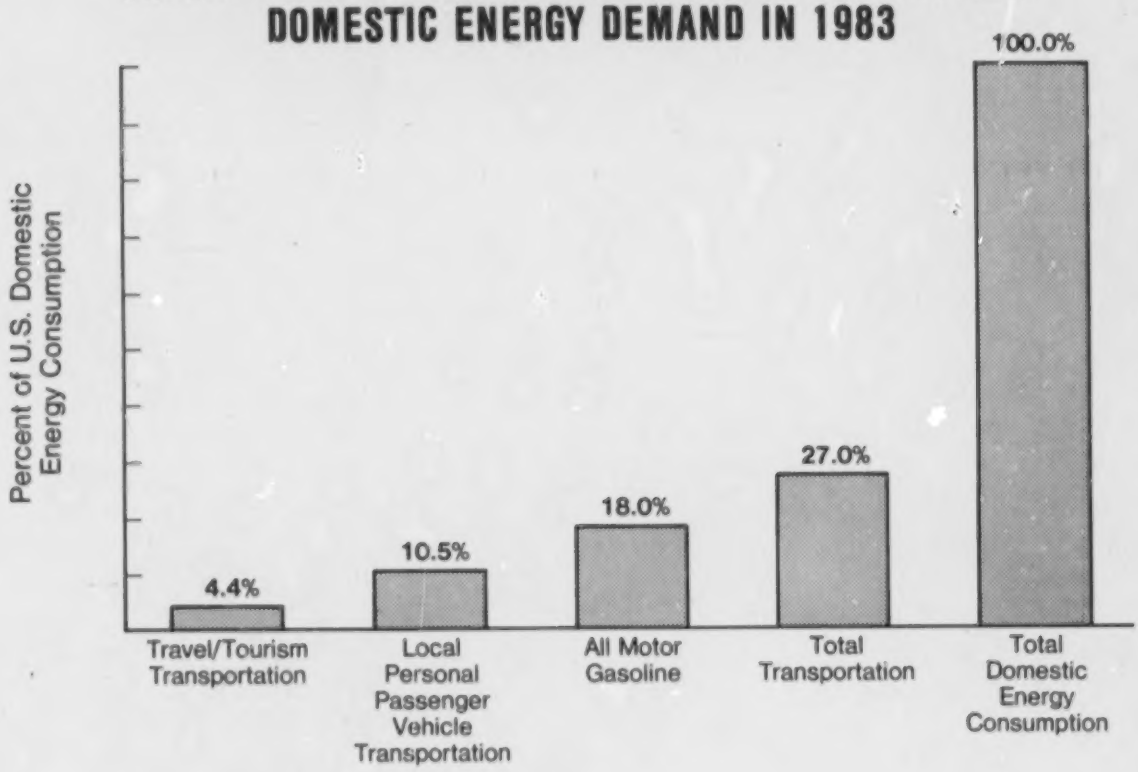
**FIGURE 5A**
**TRAVEL AND TOURISM ACCOUNT FOR UNDER 11% OF DOMESTIC PETROLEUM CONSUMPTION**




U.S. Consumption of Petroleum in 1983 was 5,489.3 Million Barrels.

Source: *U.S. Travel Data Center, Table 5A.*

## FIGURE 5B
## TRAVEL AWAY FROM HOME COMPRISED ONLY 4.4% OF DOMESTIC ENERGY DEMAND IN 1983




SOURCE: *U.S. TRAVEL DATA CENTER, TABLE 5B.*

## VI. INTERNATIONAL TRAVEL TRENDS

Foreign visitor travel in the U.S. continues depressed due to slow recovery of world economies from the recessions of the early 1980's. Furthermore, the U.S. dollar continued to rise against world currencies in 1983 making foreign travel to the U.S. more expensive.

Total expenditures from visitors abroad declined in 1983 (Table VI-1). Employment directly supported by these visitors was 251 thousand, down seven percent from the previous year. Payroll income attributable to this tourism increased four percent, but this was offset by rising costs of operations and labor. Federal, state, and local tax revenues generated by foreign visitors to the U.S. all gained in 1983.

Table VI-1: Measures of Foreign Visitors' Economic Contribution, 1983

| | |
|---|---|
| Expenditures in U.S. | $11.4 billion |
| Payroll income generated | $ 2.5 billion |
| Employment generated | 251 thousand jobs |
| Federal tax revenue generated | $ 731 million |
| State tax revenue generated | $ 477 million |
| Local tax revenue generated | $ 153 million |

Source: U.S. Travel Data Center; preliminary

Foreign visitors to the U.S. totaled 21.7 million in 1983, down only one percent from 1982, compared to a nine percent decline the previous year (Table VI-2). A major factor in this improvement was the 1.5 million increase in visitors from Canada, representing 55% of all international visitors for the year. Nineteen eighty-three was only the second year in more than a decade that total foreign visitor volume to the U.S. did not rise.

Table VI-2: Foreign Visitors and Expenditures in the U.S., by Selected Country of Origin, 1983

| Country of Origin | Visitors | | Visitor expenditures | |
|---|---|---|---|---|
| | Millions | Variation from 1982 | $ millions | Variation from 1982 |
| Canada | 11.956 | 14.6% | $ 3,168 | 20.7% |
| Mexico | 1.900 | -26.9 | 1,951 | -37.0 |
| Japan | 1.283 | -11.3 | 1,128 | 4.1 |
| United Kingdom | 1.017 | -21.7 | 466 | -14.8 |
| West Germany | .563 | -15.7 | 542 | -14.9 |
| France | .305 | -28.4 | 254 | -11.5 |
| Italy | .199 | -15.1 | 111 | -1.8 |
| Netherlands | .145 | -24.0 | 133 | -2.9 |
| Total U.S. | 21.706 | -1.0% | $11,408 | -7.9% |

Note: Excludes international passenger fare payments and cruise travel
Source: U.S. Travel and Tourism Administration and U.S. Bureau of Economic Analysis, U.S. Department of Commerce

It appears that the foreign visitor decline may be coming to a close and that 1984 will produce a modest increase. It is surprising that the 1983 decline was so small given the major advances the U.S. dollar made against other major currencies.

Despite an eight percent decline in overall foreign visitor spending in 1983, Canadian expenditures in the U.S. grew 21%, comprising 28 percent of all foreign travel expenditures here.

Mexico, the second largest source of travelers to the U.S., sent 1.9 million visitors, down 27 percent from 1982. Mexican travel expenditures dropped 37 percent in 1983, indicating that the effects of a 43-percent devaluation of the peso against the U.S. dollar since 1981 were still being felt. Other than Canada, Japan was the only major country to increase visitation expenditures here. This occurred despite an 11 percent decrease in travelers.

Many European travelers stayed away from the United States in 1983 as the dollar strengthened. France posted the largest decrease in travelers to the U.S. -- down one quarter from 1982 -- but West German visitors decreased expenditures in the U.S. more than any other major nationality.

West Germans showed the highest average expenditure per visitor, spending 78 percent above the average for all foreign

visitors (Table VI-3). Visitors from most other countries decreased their average expenditures here as well. Only Canada, with the lowest average expenditure per visitor, increased spending in 1983. Average expenditures by Mexican visitors to the U.S. are excluded from this comparison due to the lack of consistent visitor and spending estimates.

Table VI-3: Average Expenditure in th U.S. per Visitor from Selected Countries, 1983

| Origin Country | Average |
|---|---|
| Canada | $206 |
| Japan | 879 |
| United Kingdom | 458 |
| West Germany | 963 |
| France | 833 |
| Italy | 559 |
| Netherlands | 917 |
| All countries | $526 |

Source: U.S. Travel Data Center, Table VI-2
U.S. Travel & Tourism Administration

The average foreign visitor spent $526 here during 1983, down seven percent from 1982's average. The declining value of many foreign currencies in terms of U.S. dollars no doubt restrained foreign visitors from spending as much here as they did in earlier years. So we suffered both from fewer foreign travelers in 1983 and lower expenditures per traveler.

If foreign travel and tourism in the United States is to resume its secular rising trend, foreign countries must experience significant economic recoveries and the U.S. dollar must not rise further. Prospects for world economic expansion are favorable, but the dollar is projected to continue rising through 1984.

## U.S. Outbound Travel

In contrast to inbound travel, U.S. visits to foreign countries in 1983 increased significantly: up nine percent. The strengthening of the dollar has made foreign travel more attractive for the U.S. traveler by lowering travel costs.

U.S. travelers appeared very choosy in their foreign destinations in 1983. U.S. travel to Canada, the most popular country for U.S. travelers, increased only two percent compared to twenty percent for Mexico (Table VI-4). A major reason for this disparity in growth rates is the 43 percent increase in the dollar's purchasing power in pesos since 1981.

Table VI-4: Foreign Visitors and Expenditures in the U.S., by Selected Country of Origin, 1983

| | Visitors | | Visitor expenditures | |
|---|---|---|---|---|
| Country of Origin | Million | Variation from 1982 | $ millions | Variation from 1982 |
| Canada | 11.237 | 2.4% | $ 2,160 | 11.6% |
| Mexico | 3.900 | 20.3 | 3,576 | 7.6 |
| United Kingdom | 1.918 | 28.8 | 1,061 | 18.5 |
| France | 1.270 | 26.4 | 596 | 28.4 |
| West Germany | 1.118 | 5.4 | 416 | 1.2 |
| France | 1.270 | 26.4 | 596 | 28.4 |
| Italy | .877 | 5.4 | 416 | 1.2 |
| Bahamas | NA | NA | 402 | 18.2 |
| Switzerland | .791 | 20.8 | 294 | 42.7 |
| Total U.S. | 24.853 | 9.0% | $13.977 | 12.8% |

Note: Excludes international passenger fare payments and cruise travel
Source: U.S. Travel and Tourism Administration and U.S. Bureau of Economic Analysis, U.S. Department of Commerce

U.S. traveler volume to the United Kingdom, France, and Switzerland increased significantly, while West Germany and Italy showed gains of less than six percent in 1983. This could be explained by currency exchange rate changes for these countries. In 1983, the U.S. dollar made larger gains against the French franc and the British pound than the Italian lira and West German mark.

U.S. expenditures abroad were also up, closely following the pattern of U.S. travel increases. One major destination country, Switzerland, experienced an increase in expenditures from U.S. travelers of more than forty percent.

The largest average expenditure posted by U.S. travelers in major foreign destination contries was $553 in both the United Kingdom and Italy (Table VI-5). Mexico is excluded from this comparison due to a lack of consistent visitor and expenditure data. The smallest amount in indicated for U.S. travelers in our northern neighbor, Canada.

Overall, Americans spent an average of $562 in foreign countries per trip in 1983, up only three percent from 1982. It appeared, then, that the stronger dollar encouraged more U.S. foreign travel rather than higher expenditures per trip.

Table VI-5: Average Expenditure per U.S. Traveler in Selected Foreign Countries, 1983

| Country visited | Average |
|---|---|
| United Kingdom | $553 |
| Italy | 553 |
| West Germany | 372 |
| Switzerland | 372 |
| France | 469 |
| Canada | 192 |
| All countries | $562 |

Source: U.S. Travel Data Center, Table VI-4

## International Travel Balances

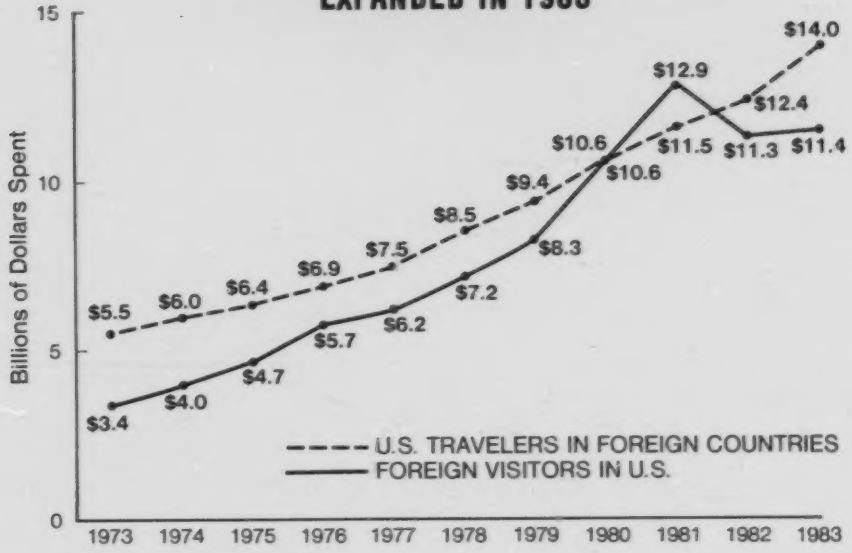
The gap in U.S. international travel spending -- U.S. traveler expenditures in foreign countries less foreign traveler expenditures here -- grew dramatically in 1983. The unprecedented $2.6 billion deficit was more than double its 1982 level (Figure 6A). In the entire postwar period, there has been only one year of surplus in the U.S. international travel account: 1981.

The thriving dollar and the strong U.S. economic recovery are the major causes of the large and expanding deficit in international travel spending. It is likely that this trend will continue through 1984, with record numbers of Americans traveling abroad, but lackluster Visit USA markets.

The U.S. international passenger fare deficit is the difference of U.S. passenger payments to foreign carriers less receipts from foreign travelers (Figure 6B). This deficit is widening. The gap grew faster than ever before in 1983, creating a deficit of three billion dollars, the largest in our international travel history.

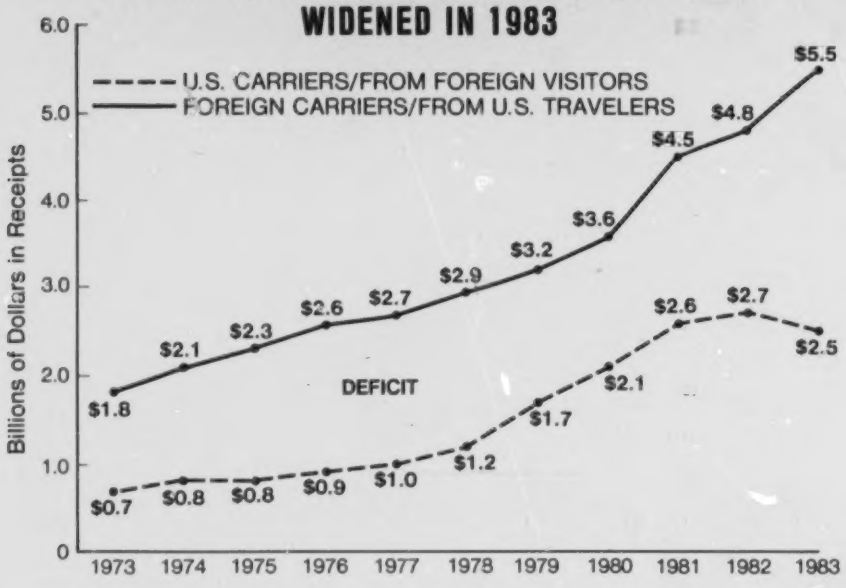
U.S. carriers have managed to increase receipts from foreign nationals by only $1.8 billion in the last decade compared to the $3.7 billion increase international carriers gained from American travelers. This is bad news for the U.S. airline industry which continues to loose a growing share of international travelers to foreign carriers.

**FIGURE 6A**
**THE INTERNATIONAL TRAVEL SPENDING GAP EXPANDED IN 1983**




Source: *U.S. Travel Data Center, Table 6A.*

## FIGURE 6B
## U.S. INTERNATIONAL PASSENGER FARE DEFICIT WIDENED IN 1983




Source: *U.S. Travel Data Center, Table 6B.*

Prospects for reducing the large U.S. international passenger fare deficit will not improve until impediments to fair international air travel competition are removed and American carriers aggressively compete for what is sure to be a growing market for international air travel.

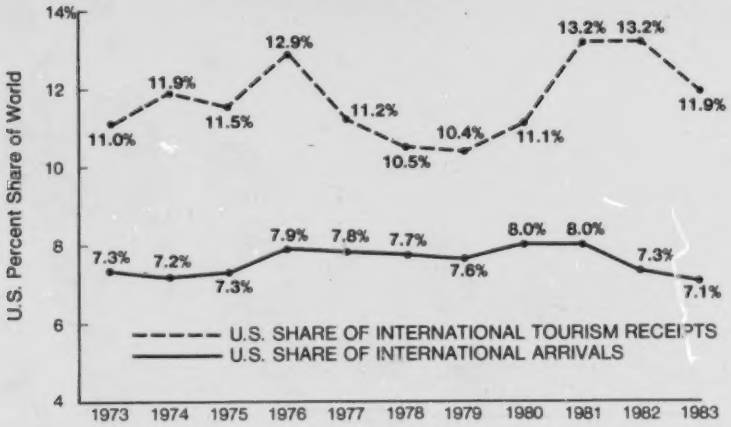
### Declining Market Share

Responding to the declining value of their own currencies in terms of dollars, foreign residents have reduced their travel to the U.S. for two successive years. As a result, our share of total international arrivals fell to the lowest level in more than a decade (Figure 6C).

Our share of worldwide international travel receipts fell dramatically as well in 1983, from more than thirteen percent to less than twelve. While still above the dismal levels of 1978-79, our recent decline in receipts market share translates into reduced U.S. job and income impact and larger trade deficits.

Over the last decade, the U.S. share of international visitor receipts has averaged 11.8 percent. However, we have demonstrated we can achieve shares of thirteen percent or more. Had we been able to maintain this share, our international visitor receipts over the last decade would have totaled ten percent more than they did, and our businesses and employees would have benefitted from additional expenditures of nearly $9 billion.

**FIGURE 6C**
**U.S. SHARE OF INTERNATIONAL ARRIVALS AND RECEIPTS FELL IN 1983**




Source: *U.S. Travel Data Center, Table 6C.*

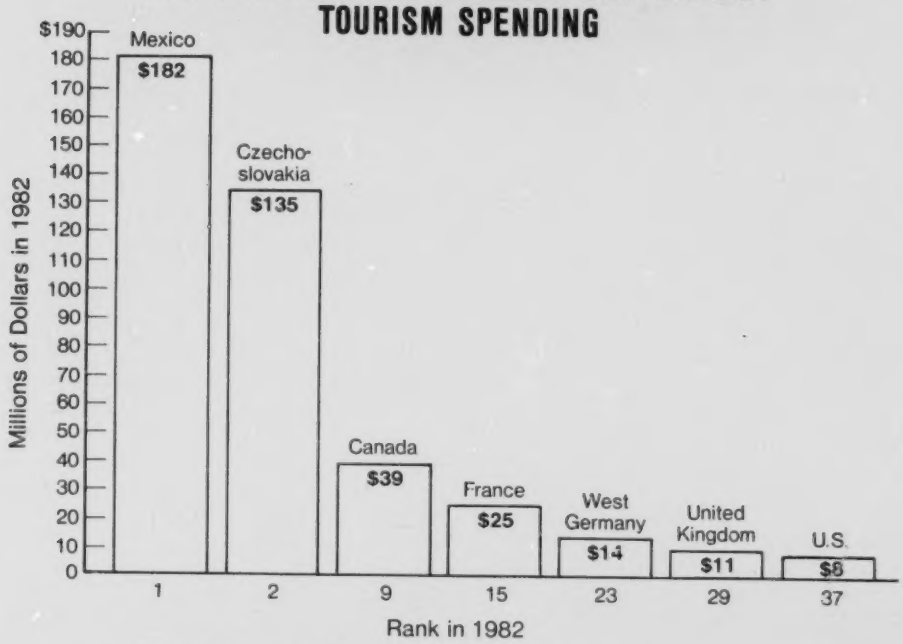
Moreover, there is no reason to believe thirteen percent is an upper limit on our share of the international market. Given the wealth of our travel attractions -- both natural and manmade -- and the diversity of our cultures, aggressive tourism marketing efforts could increase our share to fifteen percent or more.

A substantial part of such an aggressive effort must be a reversal of our declining national presence in world tourism markets. After peaking at more than $14 million in fiscal 1978, federal government resources devoted to international travel development fell to $8.1 million in fiscal 1983, and have risen to only $12 million for fiscal 1984 and 1985.

If we use the increase in overall consumer prices to represent inflation over these years, the federal government is now devoting less than one-half the real financial resources to developing visit USA markets as it did six years ago.

The U.S. lags far behind other countries in national government resources devoted to international travel development (Figure 6D). At least 36 governments spent more on tourism

## FIGURE 6D
## U.S. RANKS 37th IN NATIONAL GOVERNMENT TOURISM SPENDING




Source: *U.S. Travel Data Center, Table 6D.*

development than the U.S. in 1983. (Denmark, Sweden, Ireland and Portugal are not included in the World Tourism Organization report on national government spending on tourism development, yet all probably spend more than the U.S.) It is difficult to believe three dozen other countries are wrong to devote more of their scarce budget resources to financing tourism development than we do. It is more likely it is the U.S. that is out of step.

Believing this to be the case, the Travel Industry Association of America convened an International Marketing Plan Development Committee in mid-1983 comprised of top marketing executives from all segments of the industry. The Committee filed its final report 14 months later with the Secretary of Commerce, detailing a marketing plan to return the U.S. to a 13-percent share of international tourism receipts over a five-year period. This unique venture provides a firm foundation for boosting the U.S. Travel and Tourism Administration budget to levels consistent with our national stake in international markets.

Figure 6E suggests the regional distribution of our international tourism market interests. In 1982, foreign visitors spent over $3 billion in the Far West alone, generating substantial employment and income in the process. The South, too, enjoys considerable economic benefits from these markets.

**FIGURE 6E**
**FOREIGN VISITOR EXPENDITURES IN U.S. REGIONS, 1982**
**($ billions)**

U.S. Territories - $0.6

Source: *U.S. Travel Data Center, Table 7B*

Other regions gain less, but the amounts are still substantial relative to the size of their economies. What is more, foriegn visitors could contribute significantly more than they now do to economic development in these areas if the U.S. government mounted an aggressive, targeted international tourism marketing program.

We cannot expect the state and local agencies and private enterprises in these regions to develop foreign visitor markets alone. The offical state travel develoment offices, for example, are already spending as much to develop these markets as the federal government. The private sector, predomininantly small business in nature, generally cannot afford the considerable costs of taking effective positions in foreign markets. Moreover, they often lack sufficient expertise.

Rather the federal government, with its commitment to balanced economic growth and small business prosperity and its familiarity with operating in foreign business environments, should take a more responsible stand. A U.S. Travel and Tourism Administration budget large enough to raise us out of our cellar position in international travel market development would benefit states, regions and nation alike.

## VII. REGIONAL TRAVEL PATTERNS

Americans make many trips to destinations in their own country. The U.S. Travel Data Center estimates that in 1983 Americans took more than one billion person-trips within the U.S. to places 100 miles or more away from home. These include trips for business or pleasure, in all seasons, in all regions of the country.

Figure 7A shows the destinations of 1983 travel away from home by the eight travel regions originally developed by the Travel Industry Association of America. The estimates were derived from the Data Center's National Travel Survey, conducted monthly.

The South includes the largest number of states and is the most popular regional travel destination. In 1983 the South attracted approximately one quarter of all U.S. trips. The Frontier West and the Great Lakes region were tied for second, accounting for 16 percent each. The smallest number of trips were made to New England, comprising only four percent of all U.S. person-trips for the year.

### Regional Economic Impact

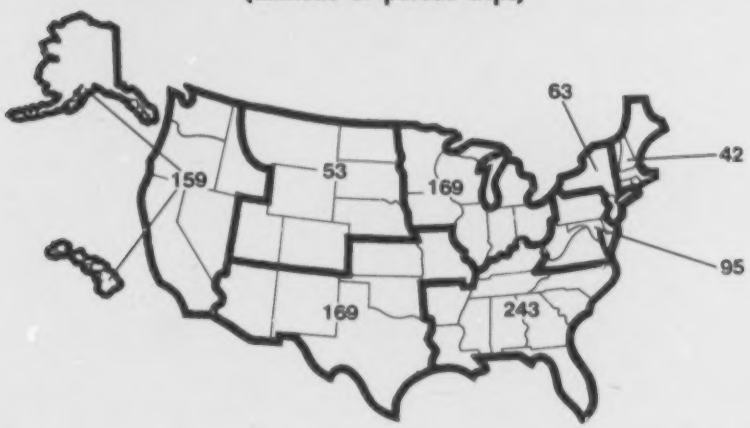
Travel's economic contribution begins with expenditures in a region. Travel spending depends not only on the number of trips to a region but the number of days spent there and the eating, lodging, amusement and transportation habits of the visitors. The Data Center's Travel Economic Impact Model, developed in 1975 and revised since, combines estimates of these factors to produce the measures of employment, income and tax revenue generated by travelers in an area.

The 1982 estimates of U.S. and foreign visitor spending in each region are shown in Figure 7B. Even though the South was first in travelers it ranked second to the Far West in travel spending. Together these two regions accounted for over half of all travel expenditures. Travelers in the Mountain West spent the least -- only seven percent of the U.S. total -- but the total still reached nearly $9 billion.

Individual states and cities as well as regions benefit from travel and tourism activity. Indeed, travel contributes to the economy of virtually all local areas in the nation. The U.S. Travel Data Center has conducted studies of travel's economic impact in nearly 1,800 of the nation's 3,139 counties and county equivalents since 1978. In only three of these counties was it

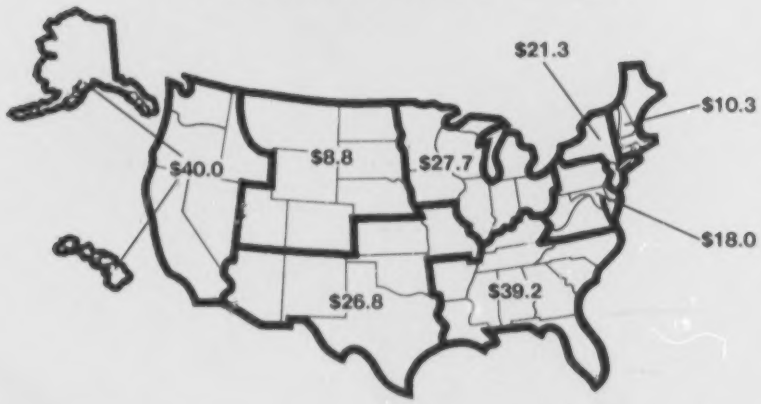
found that travel made no measurable economic contribution. There are few industries that can boast of such ubiquitous economic benefits.

**FIGURE 7A**
**U.S. RESIDENT TRAVEL BY DESTINATION REGION, 1983**
**(millions of person-trips)**




Source: *U.S. Travel Data Center, National Travel Survey*

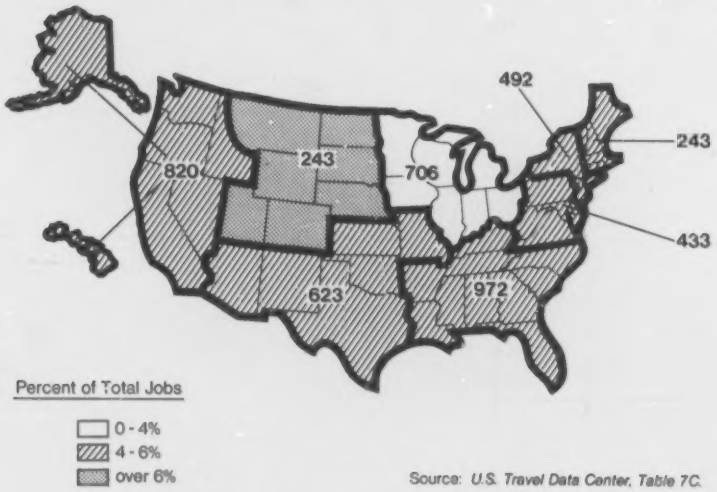
**FIGURE 7B**
**U.S. AND FOREIGN TRAVEL EXPENDITURES**
**IN U.S. REGIONS, 1982, ($ billions)**




Source: *U.S. Travel Data Center, Table 7B.*

One of the most important economic effects of travel is the employment it generates, Figure 7C shows the regional distribution of the more than four and one-half million jobs directly attributable to travel in 1983.

**FIGURE 7C**
**EMPLOYMENT GENERATED BY U.S. AND FOREIGN TRAVELERS IN U.S. REGIONS, 1982 (thousands)**




Source: *U.S. Travel Data Center, Table 7C.*

The South led this category with almost one million travel-generated jobs, 21 percent of the total. The Far West, leader in travel expenditures, held second place. The Mountain West showed the least employment of any region, but still approached one-quarter million travel-generated jobs.

Major industrial regions, such as the Great Lakes area, indicate the least dependence on travel and tourism for employment. However, these regions still have a significant stake in the growth and prosperity of travel as a replacement for older industries now in decline.

Travel is a powerful economic development force in many areas. Data Center studies show that travel and tourism generate more jobs than any other private industry in 12 states and is among the top three private employers in 41 states. In no state does travel rank lower than tenth among the 69 private sector industries studied.

Public officials and business executives concerned with facilitating regional economic development should consider policies that encourage travel development and avoid those that impede tourism's unique abilities to generate employment and regional economic development.

# VIII. CONCLUSION

The U.S. economy expanded robustly in 1983 after the severe 1981-82 recession. Employment and income grew at rapid rates. The expansion was accompanied by unusually stable prices, and petroleum supplies, often a major constraint on travel during the earlier decade, were plentiful. In short, consumers and business enjoyed increasing resources that could be allocated to expanded travel activity.

However, consumers were slow to allocate more of their growing income to travel away from home. Travel spending grew more slowly than overall consumption spending, and some measures of real travel activity actually declined for the nation. For the most part, business travel was lackluster as well.

It is no coincidence that retail sales of consumer durable goods, such as automobiles, housing, home furnishings, appliances and consumer electronic equipment, soared in 1983 while travel was mixed. These items garnered at least $100 billion of discretionary income that might have been spent on increased travel and tourism.

The length and severity of the 1981-82 recession, coming as it did on the heels of the 1980 recession, forced many Americans to postpone purchases of major consumer durables for a number of years. When favorable economic times returned, additional income went to replacing worn-out items and adding modern ones, and not to more travel.

Americans behaved similarly after the prolonged 1973-75 recession. After a year or so of restocking, they turned their growing discretionary dollars toward increased travel. We can expect the same will occur in 1984-85, barring an economic downturn.

However, the growing popularity of home video equipment and personal computers combined with the rise in local recreation and entertainment opportunities, should cause travel marketers to wonder if future competition will be more with local leisure activities and less with other travel destinations.

Foreign travel destinations competed all too well with domestic ones in 1983. This was primarily a response to the rising value of the dollar against most major foreign currencies. Travel to some countries became irresistible bargains for many Americans, displacing some tourism activity here. Moreover, foreign visitors could not provide the boost to our economy we have come to expect because their own currencies buy fewer dollars for Visit USA travel.

Most believe the dollar will fall somewhat from its historic highs in the years to come. Few indeed expect it to rise further over the next several years. Foreign competition for the U.S. traveler will moderate, and the volume and impact of foreign visitors to our shores should resume their upward climb.

Despite a disappointing performance in 1983, travel and tourism continued to play a major role in employment and income growth. The industry once again proved itself to be an engine of employment for new entrants as well those groups that have traditionally found it harder to obtain employment than the rest of the labor force. And the travel industry's counter-recessionary job creation abilities continued unabated in the latest recession.

Travel and the industry that serves it is a major force for economic growth and stability yet it is still little recognized among public and business decison makers. This is no doubt due to unique complexity of the industry that defies ready understanding. The variety of different businesses catering to the traveler and the industry's predominantly small-business nature prevent it from being neatly captured by federal statistics or easily recognized in the local economy. As a result, the travel industry does not have the legislative leverage of the steel industry or agriculture in public policy debates.

This ignorance of travel's formidable contributions to national and regional economies is dangerous to our nation's health. We risk implementation of unfavorable tax, expenditure and regulatory policies at all levels of government. In a real sense, the lack of understanding of how travel contributes to expanding economic and lifestyle choices could permit the killing of a goose that lays a golden egg.

The eggs can become larger and more frequent if the nation pursues policies maximizing economic growth and economic choice. The travel industry should speak out during the major debates on fiscal, monetary and trade policies for fair treatment and a sound economy. It enjoys a long history of public-private sector cooperation in economic development through tourism, but this needs to be expanded and explained as well.

The recent, remarkable creation of an international travel marketing plan by many of the best minds in the travel industry bodes well for future tourism growth and cooperation. The federal government through its Travel and Tourism Administration should build on this well-laid foundation and seek a funding level commensurate with our nation's stake in international tourism.

For this is how a better future is best assurred: recognizing the facts, building on strengths and drawing the best from the diverse talents government and business offer. It is our hope that this report contributes to shaping this future.

# APPENDIX A: BASIC TRAVEL DATA

Table 2A: Business Receipts of Selected U.S. Travel Industry Sectors, 1973-1984
($ billions)

| Sector | 1973 | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | Projected 1984 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Transportation | | | | | | | | | | | | |
| Air* | $8.518 | $9.903 | $10.301 | $12.104 | $13.773 | $15.753 | $18.931 | $23.317 | $25.504 | $25.442 | $27.518 | $31.646 |
| Bus | 1.023 | 1.152 | 1.172 | 1.232 | 1.331 | 1.420 | 1.664 | 1.943 | 2.071 | 2.075 | 2.080 | 2.101 |
| Rail** | NA | .177 | .214 | .235 | .260 | .259 | .325 | .375 | .428 | .427 | .461 | .545 |
| Lodging | | | | | | | | | | | | |
| Hotel/motel | 10.955 | 11.757 | 13.002 | 15.129 | 16.413 | 19.443 | 22.226 | 23.638 | 26.719 | 28.851 | 31.624 | 35.103 |
| Foodservice | | | | | | | | | | | | |
| Eating and drinking places | 40.402 | 44.673 | 51.067 | 57.211 | 63.276 | 71.817 | 82.151 | 90.165 | 98.272 | 104.715 | 115.710 | 126.124 |
| Entertainment/recreation | | | | | | | | | | | | |
| Amusement and recreation services | 14.120 | 16.695 | 18.047 | 20.748 | 22.803 | 23.224 | 25.750 | 28.327 | 31.704 | 39.149 | 42.399 | 46.003 |
| Travel industry | $75.018 | $84.357 | $93.803 | $106.659 | $117.856 | $131.916 | $151.047 | $167.765 | $184.698 | $200.659 | $219.792 | $241.521 |
| Gross national product | $1,326.4 | $1,434.2 | $1,549.2 | $1,718.0 | $1,918.3 | $2,163.9 | $2,417.8 | $2,631.7 | $2,954.1 | $3,073.0 | $3,310.5 | $3,674.7 |

*U.S. certificated carriers in domestic service
**Data cover fiscal years October 1 through September 30.
NA = not available
Note: details may not add to totals due to rounding
Source: U.S. Travel Data Center, based on data from the Civil Aeronautics Board, American Bus Association, Amtrak, U.S. Bureau of Economic Analysis, U.S. Bureau of the Census

Table 2B: Business Receipts of Selected U.S. Travel Industry Sectors in 1972 Dollars, 1973-1984
($1972 billions)

| Sector | 1973 | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | Projected 1984 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Transportation | | | | | | | | | | | | |
| Air* | $8.232 | $8.435 | $8.582 | $9.553 | $10.300 | $11.852 | $13.422 | $12.696 | $12.711 | $13.481 | $14.619 | $14.766 |
| Bus | 1.004 | 1.054 | .966 | .955 | .989 | .974 | 1.054 | 1.042 | 1.031 | 1.023 | 1.008 | .998 |
| Rail** | .206 | .190 | .212 | .223 | .234 | .217 | .272 | .255 | .261 | .228 | .234 | .248 |
| Lodging | | | | | | | | | | | | |
| Hotel/motel | 10.804 | 10.478 | 10.797 | 11.611 | 11.647 | 12.107 | 11.999 | 11.175 | 11.335 | 10.970 | 11.444 | 11.989 |
| Foodservice | | | | | | | | | | | | |
| Eating and drinking places | 37.459 | 36.742 | 38.410 | 40.303 | 41.415 | 43.110 | 44.339 | 44.272 | 44.273 | 44.790 | 47.420 | 49.584 |
| Entertainment/recreation | | | | | | | | | | | | |
| Amusement and recreation services | 13.693 | 15.289 | 15.529 | 17.141 | 17.603 | 16.988 | 17.610 | 18.028 | 18.805 | 21.669 | 22.185 | 23.405 |
| Travel industry | $71.099 | $72.187 | $74.497 | $79.785 | $82.188 | $85.248 | $88.697 | $87.669 | $88.417 | $92.161 | $96.910 | $100.929 |
| Gross national product | $1,254.3 | $1,246.3 | $1,231.6 | $1,298.2 | $1,369.7 | $1,438.6 | $1,479.4 | $1,475.0 | $1,513.8 | $1,485.4 | $1,535.3 | $1,639.7 |

*U.S. certificated carriers in domestic service
**Data cover fiscal years October 1 through September 30.
NA = not available e = estimated
Note: details may not add to totals due to rounding
Source: U.S. Travel Data Center, based on data from the Civil Aeronautics Board, American Bus Association, Amtrak, U.S. Bureau of Economic Analysis, U.S. Bureau of the Census

TABLE 2C: U.S. DOMESTIC INTERCITY TRANSPORTATION ACTIVITY, 1973-1984
(billions of passenger-miles)

| Sector | 1973 | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | Projected 1984 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Common carriers | | | | | | | | | | | | |
| Air* | 130.5 | 133.7 | 136.0 | 151.4 | 163.2 | 187.8 | 212.7 | 204.4 | 201.4 | 213.6 | 231.7 | 234.0 |
| Bus | 26.4 | 27.7 | 25.4 | 25.1 | 26.0 | 25.6 | 27.7 | 27.4 | 27.1 | 26.9 | 26.5 | 26.2 |
| Rail** | 3.8 | 3.5 | 3.9 | 4.1 | 4.3 | 4.0 | 5.0 | 4.7 | 4.8 | 4.2 | 4.3 | 4.7 |
| Total | 160.7 | 164.9 | 165.3 | 180.6 | 193.5 | 217.4 | 245.4 | 236.5 | 233.3 | 244.7 | 262.5 | 264.9 |
| Auto/truck/RV*** | 787.9 | 760.2 | 793.2 | 853.5 | 891.7 | 923.0 | 896.0 | 881.1 | 894.1 | 907.1 | 943.6 | 990.8 |
| Total all modes | 948.5 | 925.0 | 958.5 | 1,034.0 | 1,085.2 | 1,140.5 | 1,141.4 | 1,117.6 | 1,127.4 | 1,151.8 | 1,206.1 | 1,255.7 |

*U.S. certificated carriers in domestic service
**Data cover fiscal years October 1 through September 30.
***Data have been revised to reflect new Federal Highway Administration road classification system.
NA = not available
Note: details may not add to totals due to rounding.
Source: U.S. Travel Data Center, based on data from the Civil Aeronautics Board, American Bus Association, Amtrak, and Transportation Policy Associates, Washington, D.C.

Table 2D: U.S. Travel Agency Locations, Airline Sales and Airline Commissions, 1977-1983

| | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 |
|---|---|---|---|---|---|---|---|
| Travel agency locations* | 13,454 | 14,804 | 16,112 | 17,339 | 19,203 | 20,962 | 23,059 |
| Agency airline sales** ($ billions) | $9.4 | $11.4 | $14.7 | $18.1 | $20.0 | $21.8 | $25.8 |
| Agency airline commissions ($ millions) | $805 | $895 | $1,176 | $1,533 | $1,851 | $2,061 | $2,428 |
| Airline passenger revenue ($ billions) | $16.8 | $19.2 | $23.2 | $28.9 | $31.1 | $31.0 | $33.9 |

*U.S. agency locations only
**includes credit card sales
Source: Air Transport Association of America, Civil Aeronautics Board, U.S. Travel Data Center

Table 2E: Small Business Firms and Total Firms in the Travel Industry, 1977

| Sector | Total Firms | Small business firms | Small business as percent of total firms |
|---|---|---|---|
| Transportation | | | |
| Air | 39 | 16 | 41.0 |
| Bus | 1,050 | 980 | 93.0 |
| Rail | 3 | 0 | 0.0 |
| Lodging | | | |
| Hotels/motels | 48,113 | 46,381 | 96.4 |
| Campgrounds, trailer parks | 18,745 | 18,726 | 99.9 |
| Foodservice | | | |
| Eating and drinking places | 319,195 | 315,288 | 98.8 |
| Entertainment/recreation | | | |
| Amusement and recreation services | 152,209 | 151,244 | 99.4 |
| Travel industry | 539,354 | 532,635 | 98.8 |

Source: U.S. Travel Data Center, based on data from U.S. Bureau of the Census, Census of Service Industries, Census Retail Trade; Small Business Administration; American Bus Association; Amtrak; World Aviation Directory.

Table 3A: Travel Price Index and Its Components, 1973-1983

(1967 = 100)

| Component | 1973 | 1974 | 1975 | 1976 | 1977* | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | Projected 1984 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Transportation | | | | | | | | | | | | |
| Airline fares | 134.7 | 145.9 | 159.0 | 172.2 | 182.0 | 190.6 | 205.8 | 284.8 | 358.4 | 395.0 | 417.8 | 437.1 |
| Bus fares | 145.7 | 161.0 | 186.0 | 196.9 | 223.5 | 240.2 | 260.0 | 297.1 | 339.8 | 368.8 | 402.2 | 430.7 |
| Rail fares | 122.8 | 135.2 | 151.2 | 165.8 | 180.6 | 194.6 | 212.4 | 250.1 | 297.9 | 334.0 | 352.9 | 376.6 |
| Gasoline | 118.1 | 159.9 | 170.8 | 177.9 | 188.2 | 196.3 | 265.6 | 369.1 | 410.9 | 389.3 | 376.3 | 373.4 |
| Lodging | | | | | | | | | | | | |
| Hotel/motel | 138.4 | 148.9 | 159.8 | 172.9 | 187.0 | 213.1 | 245.8 | 280.7 | 312.8 | 349.0 | 366.7 | 393.3 |
| Foodservice | | | | | | | | | | | | |
| Food away from home | 141.4 | 159.4 | 174.3 | 186.1 | 200.3 | 218.4 | 242.9 | 267.0 | 291.0 | 306.5 | 319.9 | 331.5 |
| Entertainment/Recreation | | | | | | | | | | | | |
| Entertainment/ services | 132.3 | 140.1 | 149.1 | 155.3 | 166.2 | 175.4 | 187.6 | 201.6 | 216.3 | 231.8 | 245.2 | 254.9 |
| Incidentals | 118.0 | 125.6 | 132.9 | 137.4 | 161.5 | 168.7 | 178.0 | 193.3 | 206.1 | 215.4 | 221.7 | 225.0 |
| Travel Price Index | 130.0 | 148.9 | 160.2 | 169.9 | 187.8 | 203.3 | 234.3 | 283.2 | 319.7 | 337.2 | 350.6 | 361.8 |
| Consumer Price Index | 133.1 | 147.7 | 161.2 | 170.2 | 181.5 | 195.4 | 217.4 | 246.8 | 272.3 | 289.1 | 298.4 | 309.1 |

*Consumer Price Index revised beginning with 1977; data for 1977 and subsequent years are not strictly comparable with earlier years.

Source: U.S. Travel Data Center, based on U.S. Bureau of Labor Statistics data.

Table 4A: Payroll Employment for Selected Travel Industry Sectors, 1973-1983
(thousands)

| Sector | 1973 | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Intercity highway passenger transportation | 41.3 | 42.4 | 39.9 | 39.6 | 37.4 | 36.1 | 36.7 | 37.9 | 38.1 | 38.8 | 35.7 |
| Air transportation | 365.7 | 367.8 | 362.8 | 373.8 | 386.3 | 407.9 | 438.2 | 453.4 | 454.6 | 443.6 | 451.7 |
| Eating and drinking places | 3,053.8 | 3,231.2 | 3,379.5 | 3,656.2 | 3,948.6 | 4,277.2 | 4,513.1 | 4,626.8 | 4,749.5 | 4,831.2 | 5,006.7 |
| Hotels, motels and tourist courts | 807.7 | 823.5 | 849.5 | 885.2 | 913.0 | 945.6 | 1,019.9 | 1,037.7 | 1,076.4 | 1,092.8 | 1,127.2 |
| Amusement and recreation services | 534.7 | 553.5 | 596.8 | 636.8 | 665.7 | 708.4 | 712.0 | 763.5 | 783.6 | 799.2 | 830.5 |
| Travel industry | 4,803.2 | 5,018.4 | 5,228.5 | 5,591.6 | 5,951.0 | 6,375.2 | 6,719.9 | 6,918.3 | 7,102.2 | 7,205.6 | 7,451.8 |
| Total U.S. | 76,790.0 | 78,265.0 | 76,945.0 | 79,382.0 | 82,471.0 | 86,697.0 | 89,823.0 | 90,406.0 | 91,156.0 | 89,566.0 | 90,138.0 |

Source: U.S. Department of Labor, Bureau of Labor Statistics, SUPPLEMENT TO EMPLOYMENT AND EARNINGS, UNITED STATES 1909-78, July, 1984.

Table 4B: Payroll Employment for Selected Travel Industry Sectors, 1981-1983, Monthly
(thousands)

| Sector - 1983 | Jan. | Feb. | March | April | May | June | July | August | Sept. | Oct. | Nov. | Dec. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Intercity highway passenger transportation | 39.0 | 36.3 | 36.2 | 36.9 | 37.9 | 38.5 | 40.7 | 40.6 | 40.1 | 38.5 | 21.0 | 23.1 |
| Air transportation | 436.5 | 438.2 | 440.4 | 447.0 | 450.3 | 454.6 | 460.7 | 463.1 | 462.2 | 455.4 | 454.7 | 457.7 |
| Eating and drinking places | 4,663.5 | 4,670.6 | 4,775.4 | 4,954.3 | 5,078.1 | 5,172.9 | 5,157.7 | 5,200.1 | 5,206.7 | 5,093.6 | 5,049.9 | 5,057.9 |
| Hotels, motels and tourist courts | 1,026.0 | 1,041.8 | 1,068.4 | 1,109.9 | 1,131.3 | 1,171.5 | 1,200.7 | 1,213.4 | 1,170.3 | 1,150.4 | 1,125.4 | 1,117.3 |
| Amusement and recreation services | 707.8 | 711.6 | 743.3 | 819.8 | 868.9 | 947.4 | 972.6 | 968.5 | 890.5 | 798.4 | 762.3 | 774.8 |
| Travel industry | 6,872.8 | 6,898.5 | 7,063.7 | 7,367.9 | 7,566.5 | 7,784.9 | 7,832.4 | 7,885.7 | 7,769.8 | 7,536.3 | 7,413.3 | 7,430.8 |
| Total U.S. | 87590 | 87598 | 88208 | 89064 | 89921 | 90738 | 90112 | 89842 | 91485 | 92049 | 92406 | 92645 |

Source: U.S. Department of Labor, Bureau of Labor Statistics, SUPPLEMENT TO EMPLOYMENT AND EARNINGS, UNITED STATES 1909-78, July, 1984.

Table 4B: Payroll Employment for Selected Travel Industry Sectors, 1981-1983, Monthly (Continued)
(thousands)

| Sector - 1982 | Jan. | Feb. | March | April | May | June | July | August | Sept. | Oct. | Nov. | Dec. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Intercity highway passenger transportation | 36.8 | 35.2 | 35.1 | 37.0 | 38.2 | 39.8 | 41.3 | 41.6 | 41.7 | 40.0 | 39.1 | 39.6 |
| Air transportation | 445.9 | 444.7 | 443.8 | 444.8 | 449.2 | 441.7 | 443.9 | 444.3 | 443.3 | 441.7 | 439.0 | 441.0 |
| Eating and drinking places | 4,838.1 | 4,858.6 | 4,845.4 | 4,806.1 | 4,931.0 | 4,994.3 | 4,963.5 | 4,990.5 | 4,984.9 | 4,879.3 | 4,825.9 | 4,856.9 |
| Hotels, motels and tourist courts | 1,033.6 | 1,047.0 | 1,064.5 | 1,090.6 | 1,112.3 | 1,143.9 | 1,157.6 | 1,167.5 | 1,116.8 | 1,080.0 | 1,056.5 | 1,042.9 |
| Amusement and recreation services | 693.3 | 703.6 | 734.1 | 788.5 | 835.9 | 902.2 | 929.7 | 920.9 | 851.1 | 782.3 | 731.4 | 737.7 |
| Travel industry | 6,747.7 | 6,789.1 | 6,922.6 | 7,167.0 | 7,366.6 | 7,621.9 | 7,536.0 | 7,564.8 | 7,437.8 | 7,203.3 | 7,091.9 | 7,116.1 |
| Total U.S. | 89,184.0 | 89,273.0 | 89,566.0 | 89,678.0 | 90,361.0 | 90,554.0 | 89,221.0 | 89,091.0 | 89,516.0 | 89,484.0 | 89,381.0 | 89,283.0 |

Source: U.S. Department of Labor, Bureau of Labor Statistics, SUPPLEMENT TO EMPLOYMENT AND EARNINGS, UNITED STATES 1909-78, July, 1984.

Table 4B: Payroll Employment for Selected Travel Industry Sectors, 1981-1983, Monthly (Continued)
(thousands)

| Sector - 1981 | Jan. | Feb. | March | April | May | June | July | August | Sept. | Oct. | Nov. | Dec. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Intercity highway passenger transportation | 36.4 | 36.3 | 36.4 | 37.7 | 38.6 | 39.7 | 40.0 | 39.9 | 39.4 | 38.1 | 37.2 | 37.1 |
| Air transportation | 447.0 | 449.5 | 450.8 | 453.0 | 456.6 | 460.6 | 463.6 | 463.8 | 458.4 | 453.4 | 450.1 | 448.9 |
| Eating and drinking places | 4,464.7 | 4,489.3 | 4,578.2 | 4,747.3 | 4,847.4 | 4,910.6 | 4,869.4 | 4,898.2 | 4,907.7 | 4,790.4 | 4,747.1 | 4,743.6 |
| Hotels, motels and tourist courts | 1,002.4 | 1,015.7 | 1,031.2 | 1,057.0 | 1,089.4 | 1,129.1 | 1,137.9 | 1,146.3 | 1,117.8 | 1,086.3 | 1,059.8 | 1,044.1 |
| Amusement and recreation services | 669.0 | 684.1 | 707.1 | 773.3 | 816.6 | 877.8 | 896.0 | 904.7 | 857.6 | 768.4 | 725.2 | 723.7 |
| Travel industry | 6,619.5 | 6,674.9 | 6,803.7 | 7,068.3 | 7,248.6 | 7,417.8 | 7,406.9 | 7,452.9 | 7,380.9 | 7,136.6 | 7,019.4 | 6,997.4 |
| Total U.S. | 89,688.0 | 89,833.0 | 90,371.0 | 91,027.0 | 91,514.0 | 92,158.0 | 91,237.0 | 91,238.0 | 91,739.0 | 91,913.0 | 91,745.0 | 91,414.0 |

Source: U.S. Department of Labor, Bureau of Labor Statistics, SUPPLEMENT TO EMPLOYMENT AND EARNINGS, UNITED STATES 1909-78, July, 1984.

Table 5A: U.S. Travel/tourism Transportation Consumption of Petroleum, 1982-83

(millions of barrels)

| Sector | 1983 | 1982 | 1983 percent Distribution | 1983/82 percent change |
|---|---|---|---|---|
| Travel/tourism | | | | |
| Certificated air(1) | 206.5 | 200.9 | 3.8% | 2.3% |
| General aviation(2) | 32.1 | 31.3 | .6 | 2.6 |
| Intercity bus(3) | 4.5 | 4.5 | .1 | 0 |
| Amtrak(4)* | 1.5 | 1.5 | .03 | 0 |
| Auto/truck/RV/motorcycle(5) | 341.5 | 366.5 | 6.2 | - 6.8 |
| Total | 586.1 | 604.7 | 10.7% | - 3.1% |
| Local personal passenger vehicle transportation(5) | 1,405.9 | 1,293.6 | 25.6% | 8.7% |
| Other transportation(5) | 1,371.4 | 1,476.0 | 25.0 | 32.6 |
| Total transportation(6) | 3,363.4 | 3,393.1 | 61.3 | - .9 |
| Industrial(6) | 1,416.1 | 1,459.0 | 25.8 | - 3.0 |
| Residential and commercial(6) | 428.0 | 464.9 | 7.8 | - 7.9 |
| Electric utilities(6) | 281.8 | 250.6 | 5.1 | -12.5 |
| TOTAL PETROLEUM CONSUMPTION(6) | 5,489.3 | 5,567.5 | 100.0% | - 1.4% |

Note: details may not add to totals due to rounding.
*estimated
Source: U.S. Travel Data Center

(1)Civil Aeronautics Board. (2)Federal Aviation Administration. (3)American Bus Association for all intercity carriers. (4)Amtrak. (5)Estimated by the U.S. Travel Data Center based upon the 1977 Nationwide Personal Transportation Study and Federal Highway Administration data. (6)U.S. Department of Energy, Monthly Energy Review, April 1984.

Table 5B: U.S. Domestic Consumption of Energy, 1982-1983

(Quadrillion BTU)

| | 1983 | 1982 | Percent change |
|---|---|---|---|
| Travel/tourism transportation | 3.079 | 3.176 | -3.1% |
| Local personal passenger vehicle transportation | 7.385 | 6.795 | -8.7 |
| Motor gasoline | 12.697 | 12.836 | +1.7 |
| Transportation | 19.040 | 19.066 | - .1 |
| Total domestic energy consumption | 70.638 | 70.822 | - .3 |

Source: U.S. Travel Data Center, based on data from Table 5A and U.S. Department of Energy, Monthly Energy Review, May, 1984.

Table 6A: U.S. International Travel Receipts, Payments and Balance, 1973-1983
($ millions)

| | 1973 | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Receipts from foreign visitors in the U.S. | $3,412 | $4,032 | $4,697 | $5,742 | $6,150 | $7,186 | $8,441 | $10,588 | $12,913 | $12,393 | $11,408 |
| Payments of U.S. travelers in foreign countries | 5,526 | 5,980 | 6,417 | 6,856 | 7,451 | 8,475 | 9,413 | 10,397 | 11,479 | 12,394 | 13,977 |
| Balance on travel receipts less payments | -2,114 | -1,948 | -1,720 | -1,114 | -1,301 | -1,289 | -972 | 191 | 1,434 | -1 | -2,569 |

Note: Details may not subtract to totals due to rounding.
Source: U.S. Bureau of Economic Analysis, U.S. Department of Commerce

Table 6B: U.S. International Passenger Fare Receipts, Payments and Balance, 1973-1983
($ millions)

| | 1973 | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| U.S. passenger fare receipts from foreign travelers | $718 | $813 | $767 | $937 | $1,025 | $1,238 | $1,677 | $2,062 | $2,575 | $2,692 | $2,524 |
| U.S. passenger fare payments to foreign carriers | 1,790 | 2,095 | 2,263 | 2,568 | 2,748 | 2,896 | 3,184 | 3,607 | 4,487 | 4,772 | 5,532 |
| Balance on passenger fare receipts less payments | -1,072 | -1,282 | -1,496 | -1,631 | -1,723 | -1,658 | -1,507 | -1,545 | -1,912 | -2,080 | -3,008 |

Note: Details may not subtract to totals due to rounding.
Source: U.S. Bureau of Economic Analysis, U.S. Department of Commerce

Table 6C: U.S. and World International Travel Receipts and Arrivals, 1973-1983

| | 1973 | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| International travel receipts ($ billions)* | | | | | | | | | | | |
| United States | $3.41 | $4.03 | $4.70 | $5.74 | $6.15 | $7.19 | $8.44 | $10.59 | $12.91 | $12.39 | $11.41 |
| World | $31.1 | $33.8 | $40.7 | $44.4 | $55.1 | $68.5 | $81.3 | $95.3 | $97.7 | $94.2 | $96.2 |
| International arrivals (millions) | | | | | | | | | | | |
| United States | 14.0 | 14.2 | 15.7 | 17.5 | 18.5 | 19.7 | 20.3 | 22.5 | 23.1 | 20.9 | 20.4 |
| World | 191 | 197 | 214 | 221 | 238 | 256 | 269 | 281 | 288 | 285 | 287 |

*excludes international passenger fare payments
Source: U.S. Department of Commerce, World Tourism Organization

Table 6D: National Government Expenditures on Tourism Development by Top 37 Countries, 1983

| Rank | Country | Expenditures ($ millions) |
|---|---|---|
| 1 | Mexico | $182.1 |
| 2 | Czechoslovakia | 134.8 |
| 3 | Brazil | 78.6 |
| 4 | Greece | 69.1 |
| 5 | Turkey | 62.1 |
| 6 | Spain* | 61.1 |
| 7 | Korea | 59.0 |
| 8 | Switzerland* | 47.4 |
| 9 | Canada | 39.3 |
| 10 | Italy | 36.5 |
| 11 | Venezuela | 30.0 |
| 12 | Jamaica | 29.5 |
| 13 | Bahamas | 28.0 |
| 14 | Belgium | 25.6 |
| 15 | France | 25.2 |
| 16 | Singapore | 24.3 |
| 17 | India | 24.3 |
| 18 | Peru | 20.1 |
| 19 | Tunisia | 19.9 |
| 20 | Egypt | 15.7 |
| 21 | Columbia | 13.8 |
| 22 | Syria | 13.8 |
| 23 | Germany | 13.5 |
| 24 | Hungary | 12.8 |
| 25 | Bermuda | 12.3 |
| 26 | Israel | 12.3 |
| 27 | Netherlands | 12.3 |
| 28 | Trinidad & Tobago | 11.3 |
| 29 | United Kingdom* | 11.2 |
| 30 | Hong Kong | 10.6 |
| 31 | Australia | 10.6 |
| 32 | Finland | 9.3 |
| 33 | Japan | 9.2 |
| 34 | Costa Rica | 8.7 |
| 35 | Malaysia | 8.4 |
| 36 | Philippines | 8.4 |
| 37 | United States | 8.1 |

*estimated

Note:
Reporting countries did not include Denmark, Sweden, Ireland and Portugal...all expected to rank higher than the United States.

Source:
World Tourism Organization and Travel and Tourism Government Affairs Council

Table 7B: Travel Expenditures by U.S. and Foreign Visitors, by Travel Region, 1982

($ billions)

| TRAVEL REGION | U.S. Travel expenditures | Foreign visitor expenditures | Total travel expenditures |
|---|---|---|---|
| New England: Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont | $ 9.8 | $ 0.5 | $ 10.3 |
| Eastern Gateway: New Jersey, New York | 19.8 | 1.6 | 21.3 |
| George Washington Country: Delaware, District of Columbia, Maryland, Pennsylvania, Virginia, West Virginia | 17.3 | .7 | 18.0 |
| The South: Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee | 37.0 | 2.2 | 39.2 |
| Great Lakes: Illinois, Indiana, Iowa, Michigan, Minnesota, Ohio, Wisconsin | 27.0 | .7 | 27.7 |
| Mountain West: Colorado, Montana, Nebraska, North Dakota, South Dakota, Utah, Wyoming | 8.5 | .3 | 8.8 |
| Frontier West: Arizona, Kansas, Missouri, New Mexico, Oklahoma, Texas | 25.4 | 1.4 | 26.8 |
| Far West: Alaska, California, Idaho, Nevada, Oregon, Washington, Hawaii | 36.9 | 3.1 | 40.0 |
| U.S. Territories | .2 | .6 | .8 |
| U.S. Overall | 142.2 | 11.3 | 153.5 |

Note: Details may not add to totals due to rounding.
Source: U.S. Travel Data Center's Travel Economic Impact Model, includes overnight trips and day-trips to places 100 miles or more away from home; U.S. Bureau of Labor Statistics.

Table 7C: Employment Generated by U.S. and Foreign Travel Expenditures, by Travel Region, 1982

| TRAVEL REGION | Travel-generated employment (thousands) | Share of total payroll employment (percent) |
|---|---|---|
| New England: Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont | 243 | 4.4% |
| Eastern Gateway: New Jersey, New York | 492 | 4.7 |
| George Washington Country: Delaware, District of Columbia, Maryland, Pennsylvania, Virginia, West Virginia | 433 | 4.4 |
| The South: Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee | 972 | 5.7 |
| Great Lakes: Illinois, Indiana, Iowa, Michigan, Minnesota, Ohio, Wisconsin | 706 | 3.8 |
| Mountain West: Colorado, Montana, Nebraska, North Dakota, South Dakota, Utah, Wyoming | 243 | 7.0 |
| Frontier West: Arizona, Kansas, Missouri, New Mexico, Oklahoma, Texas | 623 | 5.3 |
| Far West: Alaska, California, Idaho, Nevada, Oregon, Washington, Hawaii | 820 | 5.9 |
| U.S. Territories | 30 | 4.4 |
| U.S. Overall | 4,562 | 5.0 |

Note: Details may not add to totals due to rounding.
Source: U.S. Travel Data Center's Travel Economic Impact Model, includes overnight trips and day-trips to places 100 miles or more away from home; U.S. Bureau of Labor Statistics.

# APPENDIX B: RESOURCES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